

Original Application

Antioch Outpatient Diagnostic Center
Antioch (Davidson Co.)

CN1805-020

May 15, 2018

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application Submittal
Establishment of an Outpatient Diagnostic Imaging Center with MRI
Nashville, Davidson County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application for the Antioch Outpatient Diagnostic Center. The affidavit and filing fee are enclosed.

I am the contact person for this project. Brant Phillips at Bass, Berry is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,


John Wellborn
Consultant

Filed May 2018



CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

Antioch Outpatient Diagnostic Center

Name

5380 Hickory Hollow Parkway , Suite 101

Street or Route

Davidson

County

Antioch

City

TN

State

37013

Zip Code

No website at this time

Website Address

2. Contact Person Available for Responses to Questions

John Wellborn

Name

Consultant

Title

Development Support Group

Company Name

jwdsg@comcast.net

E-Mail Address

4219 Hillsboro Road, Suite 210

Street or Route

Nashville

City

TN

State

37215

Zip Code

CON Consultant

Association With Owner

615-665-2022

Phone Number

615-665-2042

Fax Number

NOTE: **Section A** is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures. Please answer all questions on 8.5" X 11" white paper, clearly typed and spaced, single-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed and signed notarized affidavit.

3. SECTION A: EXECUTIVE SUMMARY

A. Overview

Please provide an overview **not to exceed three pages in total**, explaining each numbered point.

(1) Description (Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant.)

- The project is the establishment of an Outpatient Diagnostic Center (“ODC”) in the rapidly growing Antioch area of southeast Davidson County. It will provide outpatient diagnostic imaging modalities that initially will be MRI, CT, Ultrasound and Radiography/Fluoroscopy.
- The ODC will be developed in leased space in an existing office building at 5380 Hickory Hollow Parkway, Suite 101-11, Antioch, Tennessee 37013. The ODC will occupy approximately 6,890 SF of renovated space on the ground floor.
- Radiology Alliance, a radiology group practice that staffs Imaging Departments at five service area hospitals, will provide medical supervision and direction to the ODC. Radiology Alliance is the largest radiology group in Tennessee, with more than 60 radiologists serving patients at 11 hospital, ODC and clinic locations in Middle Tennessee. The purpose of the project is to make imaging services more easily accessible and affordable for residents of one of the most populous and fast-growing sectors of the greater Nashville area.
- If granted CON approval in August 2018, the ODC expects to open on or before January 1, 2021. It will provide services on weekdays and Saturdays—including early morning, early evening, and weekend options for working people unable to come during routine daytime hours.

(2) Ownership Structure

The Antioch Outpatient Diagnostic Center will be owned by and licensed to Tennessee Imaging Services LLC, a Tennessee limited liability company (“TIS”). TIS is a new entity, formed to own and operate AODC. TIS does not operate, and has no ownership in, any other facility. TIS is owned by American Radiology Holdings, P.C., a Tennessee professional corporation (“ARH”). ARH, in turn, is wholly owned by Dr. Curtis Pickert, M.D.

Infinity Management, LLC, a Tennessee limited liability company (“Infinity”), will provide non-medical administrative support services to TIS upon the commencement of its operation of AODC. Infinity is an indirect subsidiary of MEDNAX, Inc., a leading provider of physician and practice management services with more than 4,000 affiliated physicians through the United States (“MEDNAX”).

MEDNAX will fund the AODC project and its subsidiary, Infinity, will collect an administrative support services fee from TIS in exchange for the provision of administrative support services. Radiology Alliance, P.C., a Tennessee professional corporation wholly owned by ARH, will staff AODC with physicians to provide clinical leadership and professional interpretations of imaging studies. Technical staff for AODC will be employed or engaged by TIS.

TriStar Health Systems, Inc., an HCA division of hospitals in the Middle Tennessee region or an affiliate thereof (referred to as “TriStar” herein for convenience), holds an option to acquire up to 75% ownership or equity interest in this project. If TriStar exercises its right to acquire an interest in the project, the acquisition will not be effective until after the CON is granted. If TriStar acquires greater than 50% interest in the project prior to licensure of the ODC, the prior approval of the Agency will be sought and received as required by HSDA Rules.

Because TriStar has the right but not the obligation to acquire an interest in the project, this application demonstrates the applicant’s ability to fund, develop and operate the project without TriStar’s involvement.

A copy of the option agreement between the applicant and its affiliates, and TriStar is attached in the Support Letters attachment at the end of this application.

(3) Service area

- The primary service area (“PSA”) will be Davidson, Rutherford, and Williamson Counties.

(4) Existing similar service providers

- The three PSA counties contain a large number of licensed healthcare facilities that provide outpatient diagnostic imaging services to residents of many Middle Tennessee counties. For example, within the PSA, MRI diagnostic services are currently provided at 44 hospitals, Outpatient Diagnostic Centers (ODCs), mobile sites and private practice physician offices. Most of those also offer other diagnostic imaging services such as CT.

(5)(6) Project cost and Funding

- The project cost for CON review purposes is \$8,660,608. Of this, \$5,312,336 is the actual capital cost required to apply for CON approval and to implement the project. The \$3,348,272 balance consists of space lease and equipment maintenance contract costs that will be ongoing operating expenses, not capital costs.
- All required capital costs of the project will be funded by cash transfers from MEDNAX, a publicly traded company that is assisting with the development of the project.

(7) Financial feasibility, including when he proposal will realize a positive financial margin; and

- The ODC is projected to have a positive cash flow and also a positive financial margin during Year Two and subsequent years.

(8) Staffing

- The project will be staffed in Year One with 7.5 FTEs, including MRI, CT, and other specialized imaging technologists.

B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B of this application. Please summarize, in one page or less, each of the criteria.

(1) Need

(a) Need for MRI

Note: The project is an Outpatient Diagnostic Center with MRI and several other diagnostic imaging modalities. MRI is the only one of these modalities that is regulated by CON, has a “need” standard in the State Health Plan, and annually reports unit locations and utilization. For example, CT locations and utilization and utilization data are reported annually; but there are no State planning standards for determining need for CT. Therefore this section focuses only on the areawide need for outpatient MRI capacity, and the appropriateness of the project’s location in a high-growth sector of the primary service area.

The Antioch ODC will primarily serve patients from Southeast Davidson, North Rutherford, and West Williamson Counties. These three counties constitute the primary service area (“PSA”) of the project.

The project is named for its central location in the Antioch area of Davidson County. Many parts of the Antioch zip code have a relatively low household income. It has one of the Nashville area’s fastest growing populations.

The three-county PSA covers most of the Greater Nashville urban area. In 2017, it contains 65.2 total MRI units. Of these, 62.7 were non-specialty units; and 2.5 were specialty units (which the State Health Plan excludes from the CON inventory when calculating area need).

The State Health Plan defines “optimal capacity” of a non-specialty MRI unit--the point at which an additional unit can be appropriate--as 2,880 procedures for a stationary unit and 480 procedures per day for a mobile unit.

In 2017, the 62.7 non-specialty MRI units in the 3-county service area operated at an average of 3,046 annual procedures, which was 105.8% of optimal capacity. The “publicly accessible” units--hospital, ODC, and mobile units--operated at an average of 106.1% of the State Health Plan’s optimal guideline. All units, of all types, restricted and unrestricted, fixed and mobile, operated at 103.2% of the optimal guideline.

Please see the table on the following page for summary utilization data, by type of provider. More detailed utilization data for each provider is shown in tables in the Utilization section of this application.

Table A-3B(1): Current Utilization of Service Area MRIs				
	Number	2017 Procedures	Average Procedures Per Unit	Percent of Optimal Utilization (2,880)
All MRI Units	65.2	193,771	2,972	103.2%
Publicly Accessible Units	51.7	157,921	3,055	106.1%
Private MD Office Units	13.5	35,850	2,656	92.2%
Non-Specialty Units	62.7	190,969	3,046	105.8%
Specialty Units	2.5	2,802	1,121	38.9%

Note: Publicly accessible units are those in hospitals, ODCs, and mobile settings. They do not include units in private physician practices available only to patients of that practice. Specialty units are restricted to low-volume types of imaging such as breast, arm/leg or multiposition imaging, and are excluded from State Health Plan calculations of the need for MRI.

Reasonably projected, future MRI utilization will continue to increase, at a rate that will allow an additional MRI to enter the service area, without adverse impact on existing MRIs as a group.

From 2015 to 2017, procedures of all area MRI units (not just non-specialty MRIs) increased 6.1%. Four years from now, in 2021, at a slower market growth of 5% every two years, the service area will need to deliver 213,633 scans--which is 19,862 more annual procedures. That will be enough to fill almost seven additional MRI units to optimal capacity (19,862 additional procedures / optimal 2,880 procedures per unit = 6.9 units). So with conservatively projected market growth, optimal operation of the single MRI proposed for Antioch can be generated entirely by new areawide demand. It will not reduce the average utilization of other existing providers, which as a group will also be increasing in utilization.

However, even were there to be no additional growth in demand over the next four years (an implausible scenario for Nashville), this project would still be appropriate under State Health Plan criteria. The State Plan excludes specialty units from its calculation of need for a non-specialty MRI. There are now 62.7 non-specialty units averaging 3,046 annual procedures per unit--well above the 2,880-procedure benchmark. If the Antioch MRI is approved, giving the market 63.7 units, the average per unit with *no growth* beyond 2017 would be 2,998 procedures per unit, which is still above the 2,880-procedure State Plan standard.

(b) Need for an ODC With MRI in the Antioch Sector of the Service Area

The project is proposed for one of the largest, fastest-growing and least served sectors within the three-county service area. In just four years, more than 100,000 residents--more than 15% of Davidson County's population--are projected to live in the Antioch zip code where this ODC will be located. This will exceed the populations of more than 75 of Tennessee's 95 counties. Antioch zip code residents have average household incomes much lower than in the

three-county service area as a whole. No MRI or ODC resource is currently located in that zip code. The project site in Antioch is approximately 20-30 minutes drive time from any existing or approved ODC. Improving the Antioch sector's access to diagnostic imaging services is an important unmet need within the larger three-county service area.

(2) Economic Feasibility

The applicant projects that positive cash flow for the ODC will be achieved in its second year of operation. MEDNAX, the company that will fund this project, is a nationwide provider with financial resources adequate and committed to fund all of the project's development and operating costs and to sustain its operation until cash flow becomes positive.

(3) Appropriate Quality Standards

The Antioch ODC will be clinically supervised by one of the State's largest radiology groups to assure high quality of imaging and interpretation. It will seek MRI accreditation from the American College of Radiology and will be licensed by the Tennessee Department of Health.

(4) Orderly Development of adequate and effective health care

The project is consistent with numerous HSDA decisions approving the distribution of ODCs with MRI across most sectors of the service area. No MRI or ODC exists anywhere in the Antioch area. The project site is approximately 20-30 minutes drive time from any existing or approved ODC. Improving this large population's access to diagnostic imaging services should be the next orderly step in the wide deployment of these lower-cost imaging facilities that are reducing the cost of outpatient healthcare. In addition, more than half of the service area's 18 ODCs are owned by just one provider. It would be a positive improvement for consumers to have an additional ODC provider option.

C. Consent Calendar Justification

If consent calendar is requested, please provide the rationale for an expedited review. A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

Consent calendar review is not requested.

SECTION A (CONTINUED): PROJECT DETAILS

4.A. Owner of the Facility, Agency, or Institution

Tennessee Imaging Services, LLC	615-320-0125
<i>Name</i>	<i>Phone Number</i>
c/o Infinity Management, 210 25 th Avenue North, Suite 602	Davidson
<i>Street or Route</i>	<i>County</i>
Nashville	TN
<i>City</i>	<i>State</i>
	37203
	<i>Zip Code</i>

B. Type of Ownership or Control (Check One)

A. Sole Proprietorship	<input type="checkbox"/>	F. Government (State of TN or Political Subdivision)	<input type="checkbox"/>
B. Partnership	<input type="checkbox"/>	G. Joint Venture	<input type="checkbox"/>
C. Limited Partnership	<input type="checkbox"/>	H. Limited Liability Company	<input checked="" type="checkbox"/>
D. Corporation (For-Profit)	<input type="checkbox"/>	I. Other (Specify):	<input type="checkbox"/>
E. Corporation (Not-for-Profit)	<input type="checkbox"/>		

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the TN Secretary of State's website <https://tnbear.tn.gov/Ecommerce/FilingSearch.aspx>.

See Attachment Section A-4A.

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

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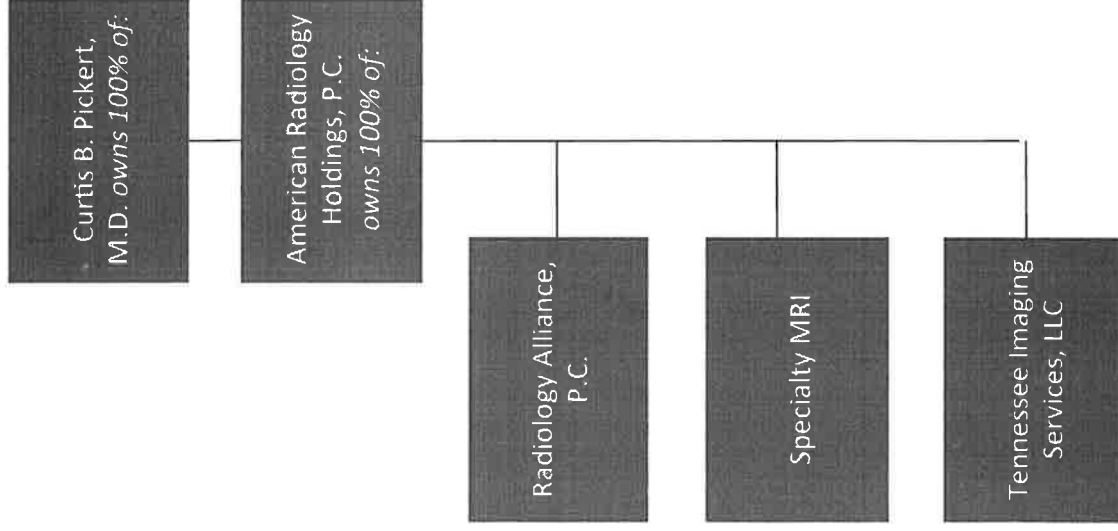
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Tennessee Imaging Services is the applicant for the CON. Day to day management and staffing of the facility will be provided by the applicant organization. Business support services such as billing & collection, IT services, credentialing, and accounting will be provided by Infinity Management, LLC.

5A. Name of Management/Operating Entity (If Applicable) Not applicable.

Name

Street or Route

County

City

State

Zip Code

Website Address

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.

6A. Legal Interest in the Site of the Institution (Check One)

A. Ownership		D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of <u> 7 </u> Years (Renewable for 10 more years)	X		

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements must include anticipated purchase price. Lease/Option to Lease Agreements must include the actual/anticipated term of the agreement and actual/anticipated lease expense. The legal interests described herein must be valid on the date of the Agency's consideration of the certificate of need application.

See Attachment Section A-6A.

6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site, on an 8.5" X 11 sheet of white paper, single-sided. Do not submit blueprints. Simple line drawings should be submitted and need not be drawn to scale.

(1) Plot Plan must include:

- a. Size of site (in acres);
- b. Location of structure on the site;
- c. Location of the proposed construction/renovation; and
- d. Names of streets, roads, or highways that cross or border the site.

See Attachment Section A-6B-1.

(2) Attach a floor plan drawing for the facility, which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8.5" X 11" sheet of paper or as many as necessary to illustrate the floor plan.

See Attachment Section A-6B-2.

(3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

The site is accessible by automobile, to residents of the primary service area, and to patients driving into Nashville from counties surrounding Nashville.

Table A-6B(3): Mileage and Drive Times Between Project and Locations Throughout the Primary Service Area			
Location in Primary Service Area	County	Distance in Miles	Drive Time
Nashville State Capitol	Davidson	13.3	18 min.
Old Hickory Blvd at I-65 (Hyatt Place)	Davidson	8.0	19 min.
100 Oaks Mall	Davidson	12.3	16 min.
Belle Meade	Davidson	17.8	25 min.
Bordeaux	Davidson	17.9	24 min.
Madison	Davidson	20.1	24 min.
Donelson	Davidson	13.7	18 min.
Smyrna	Rutherford	11.4	16 min.
Murfreesboro	Rutherford	21.6	25 min.
Eagleville	Rutherford	33.7	34 min.
Franklin	Williamson	26.9	34 min.
Thompson Station	Williamson	29.1	40 min.

Source: Google Maps, May 2018

Bus service is available to and from Antioch by MTA buses, including the Antioch Express, which connects Antioch with downtown Nashville, from which transfers can be made to bus lines throughout Davidson County . Bus service is also available between Antioch and Murfreesboro. Bus service between Antioch and Williamson County locations is not currently available.

7. Type of Institution (Check as appropriate—more than 1 may apply)

A. Hospital (Specify):	H. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty	I. Outpatient Diagnostic Center	X
C. ASTC, Single Specialty	J. Rehabilitation Facility	
D. Home Health Agency	K. Residential Hospice	
E. Hospice	L. Non-Residential Substitution-Based Treatment Center for Opiate Addiction	
F. Mental Health Hospital	M. Other (Specify):	
G. Intellectual Disability Institutional Habilitation Facility ICFF/IID		

8. Purpose of Review (Check as appropriate—more than 1 may apply)

A. New Institution	X	F. Change in Bed Complement <i>Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation</i>	
B. Modifying an ASTC with limitation still required per CON		G. Satellite Emergency Department	
C. Addition of MRI Unit		H. Change of Location	
D. Pediatric MRI		I. Other (Specify):	
E. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify) MRI and ODC	X		

9. Medicaid/TennCare, Medicare Participation

MCO Contracts (Check all that apply): ODC will contract with:	
<input checked="" type="checkbox"/> Amerigroup <input checked="" type="checkbox"/> United Healthcare Community Plan <input checked="" type="checkbox"/> BlueCare <input checked="" type="checkbox"/> TennCare Select	
Medicare Provider Number: to be applied for	
Medicaid Provider Number: to be applied for	
Certification Type: IDTF (Medicare) and ODC (State Licensure)	
If a new facility, will certification be sought for Medicare or for Medicaid/TennCare?	
Medicare Yes <input checked="" type="checkbox"/> No N/A	
Medicaid/TennCare Yes <input checked="" type="checkbox"/> No N/A	

10. Bed Complement Data

Not Applicable

A. Please indicate current and proposed distribution and certification of facility beds.)

	Beds Currently Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempt	TOTAL Beds at Completion
1. Medical						
2. Surgical						
3. ICU/CCU						
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric						
8. Geriatric Psychiatric						
9. Child/Adolescent Psychiatric						
10. Rehabilitation						
11. Adult Chemical Dependency						
12. Child/Adolescent Chemical Dependency						
13. Long-Term Care Hospital						
14. Swing Beds						
15. Nursing Home SNF (Medicare Only)						
16. Nursing Home NF (Medicaid Only)						
17. Nursing Home SNF/NF (dually certified MCare/Maid)						
18. Nursing Home- Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice						
TOTAL						

** Beds approved but not yet in service**** Beds exempted under 10%/3 yrs provision*

B. Describe the reasons for change in bed allocations and describe the impact the bed changes will have on the applicant facility's existing services.

Not applicable.

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete the chart below.

<u>CON Number</u>	<u>CON Expiration Date</u>	<u>Total Licensed Beds Approved</u>
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Not applicable. The applicant has no outstanding Certificates of Need.

11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:

Not applicable.

Not Applicable

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ceatham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Maury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

12. COST PSF TABLE

Please see the table on the following page.

13. MRI, PET, and/or LINEAR ACCELERATOR

Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding an MRI scanner in counties with population less than 250,000, or is initiating pediatric MRI in counties with population greater than 250,000, and/or describe the acquisition of any Positron Emission Tomography (PET) unit or Linear Accelerator unit if initiating the service by responding to the following:

13.A. Complete the Chart below for acquired equipment.

LINEAR ACCELERATOR (Not Applicable)	
Mev:	Total Cost*: \$
Types: (indicate one)	By Purchase? <input type="checkbox"/>
<input type="checkbox"/> SRS	By Lease? <input type="checkbox"/>
<input type="checkbox"/> IMRT	
<input type="checkbox"/> IGRT	Expected Useful Life (yrs):
<input type="checkbox"/> Other :	New? <input type="checkbox"/>
	Refurbished? <input type="checkbox"/>
	If not new, how old (Yrs)?

MRI	
Tesla: 1.5	Total Cost: \$1,808,717*
Magnet: (indicate one)	By Purchase? <input checked="" type="checkbox"/>
<input type="checkbox"/> Breast	By Lease? <input type="checkbox"/>
<input type="checkbox"/> Extremity?	
<input type="checkbox"/> Open?	Expected Useful Life (yrs): 7 years
<input checked="" type="checkbox"/> Short Bore?	New? <input checked="" type="checkbox"/>
<input type="checkbox"/> Other --	Refurbished? <input type="checkbox"/>
	If not new, how old (Yrs)?

PET (Not Applicable)	
PET Only? <input type="checkbox"/>	Total Cost*: \$
	By Purchase? <input type="checkbox"/>
PET/CT? <input type="checkbox"/>	By Lease? <input type="checkbox"/>
PET/MRI? <input type="checkbox"/>	Expected Useful Life (yrs):
	New? <input type="checkbox"/>
	Refurbished? <input type="checkbox"/>
	If not new, how old (Yrs)?

**As defined by Agency Rule 0720-9-.01(13): Vendor's quoted purchase cost with sales tax, plus service agreement costs for six years (after one-year warranty).*

13.B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

See Attachment Section A.13.B.

13.C. Compare the lease cost of the equipment to its fair market value. Note: Per Agency rule, the higher cost must be identified in the project cost chart.

Not applicable; the applicant plans to purchase the equipment.

13.D. Schedule of Operations:

The Antioch ODC will operate on weekdays and Saturdays with varying schedules. On Monday, Wednesday and Friday, its hours will be from 7 am to 5 pm, with 9 of those hours available for MRI scheduling. It will operate Tuesday and Thursday from 9 am to 7 pm, with 9 of those hours available for scheduling. It will operate on Saturday from 9am to 2pm, with four of those hours available for scheduling.

This will total 49 schedulable hours per week: 45 hours on the weekdays, and 4 hours on Saturday.

13.E. Identify the clinical applications to be provided, that apply to the project.

The ODC will provide the typical range of outpatient diagnostic procedures, including but not limited to the modalities of MRI, CT, Ultrasound, X-ray/Fluoroscopy and Bone Densitometry. Both head and body MRI studies will be provided as appropriate. Adult and pediatric patients will be served.

13.F. If the equipment has been approved by the FDA within the past five years, provide documentation of the same.

See Attachment A.13.F for the FDA approval letter for the MRI.

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care.” Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper, single-sided.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. *If a question does not apply to your project, indicate “Not Applicable (NA).”*

NEED

1. Provide a response to each criterion and standard in Certificate of Need categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the THSDA or found on the agency’s website at <http://tjn.gov/hsda/article/hsda-criteria-and-standards>.

The State Health Plan and Guidelines for Growth contain project-specific criteria for MRI Services and for Outpatient Diagnostic Centers. Following are responses to each set of criteria.

Project-Specific Review Criteria: MRI Services

1. Utilization Standards for non-Specialty MRI Units.

a. An applicant proposing a new non-Specialty stationary MRI service should project a minimum of at least 2,160 MRI procedures in the first year of service, building to a minimum of 25,0 procedures per year by the second year of service, and building to a minimum of 2,880 procedures per year by the third year of service.

Projected MRI procedures comply with this criterion.

Table B- State Health Plan-Criterion 1a: Projected MRI Utilization of Project			
	Year One--2021	Year Two--2022	Year Three--2023
State Plan Standard	2,160	2,520	2,880
Proposed MRI	2,250 (75% of Yr 3)	2,700 (90% of Yr 3)	3,000

b. Providers proposing a new non-Specialty mobile MRI service should project a minimum of at least 360 mobile MRI procedures in the first year of service per day of operation per week, building to an annual minimum of 420 procedures per day of operation per week by the second year of service, and building to a minimum of 480 procedures per day of operation per week by the third year of service and for every year thereafter.

Not applicable. This will be a stationary MRI.

c. An exception to the standard number of procedures may occur as new or improved technology and equipment or new diagnostic applications for MRI units are developed. An applicant must demonstrate that the proposed unit offers a unique and necessary technology for the provision of health care services in the Service Area.

Not applicable. The proposed MRI unit does not have unique capabilities.

d. Mobile MRI units shall not be subject to the need standard in paragraph 1 b if fewer than 150 days of service per year are provided at a given location. However, the applicant must demonstrate that existing services in the applicant's Service Area are not adequate and/or that there are special circumstances that require these additional services.

Not applicable. This will be a stationary MRI.

e. Hybrid MRI Units. The HSDA may evaluate a CON application for an MRI "hybrid" Unit (an MRI Unit that is combined/utilized with another medical equipment such as a megavoltage radiation therapy unit or a positron emission tomography unit) based on the primary purposes of the Unit.

Not applicable. This will not be a hybrid unit.

2. Access to MRI Units. All applicants for any proposed new MRI Unit should document that the proposed location is accessible to approximately 75% of the Service Area's population. Applications that include non-Tennessee counties in their proposed Service Areas should provide evidence of the number of existing MRI units that service the non-Tennessee counties and the impact on MRI unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity (if that data are available).

Table Seven-A in Section B.III.B.1 later in the application shows that communities across each of the three service area counties are within 32 minutes' drive time of the project.

None of the service area counties is in, or adjoins, another State.

3. Economic Efficiencies. All applicants for any proposed new MRI Unit should document that alternate shared services and lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.

The proposed MRI unit is very fast technology and is competitively priced with other manufacturers' units of comparable strength. There is no MRI in the Antioch area in which the applicant could establish a sharing arrangement. Most MRIs in the service area are highly utilized at this time and would have no reason to share their MRI schedule with another provider.

4. Need Standard for Non-Specialty MRI Units.

A need likely exists for one additional non-Specialty MRI unit in a Service Area when the combined average utilization of existing MRI service providers is at or above 80% of the total capacity of 3600 procedures, or 2880 procedures, during the most recent twelve-month period reflected in the provider medical equipment report maintained by the HSDA. The total capacity per MRI unit is based upon the following formula:

Stationary MRI Units: 1.20 procedures per hour x twelve hours per day x 5 days per week x 50 weeks per year = 3,600 procedures per year

Mobile MRI Units: Twelve (12) procedures per day x days per week in operation x 50 weeks per year. For each day of operation per week, the optimal efficiency is 480 procedures per year, or 80 percent of the total capacity of 600 procedures per year.

In 2017, the 62.7 non-specialty MRI units in the 3-county service area operated at an average of 3,046 annual procedures, which was 105.8% of optimal capacity. The "publicly accessible" units--hospital, ODC, and mobile units--operated at an average of 106.1% of the State Health Plan's optimal guideline. All units, of all types, restricted and unrestricted, fixed and mobile, operated at 103.2% of the optimal guideline.

Table B- State Health Plan-Criterion 4: Current Utilization of Service Area MRIs				
	Number	2017 Procedures	Average Procedures Per Unit	Percent of Optimal Utilization (2,880)
All MRI Units	65.2	193,771	2,972	103.2%
Publicly Accessible Units	51.7	157,921	3,055	106.1%
Private MD Office Units	13.5	35,850	2,656	92.2%
Non-Specialty Units	62.7	190,969	3,046	105.8%
Specialty Units	2.5	2,802	1,121	38.9%

5. Need Standards for Specialty MRI Units.

a. Dedicated fixed or mobile Breast MRI Unit. An applicant proposing to acquire a dedicated fixed or mobile breast MRI unit shall not receive a CON to use the MRI unit for non-dedicated purposes and shall demonstrate that annual utilization of the proposed MRI unit in the third year of operation is projected to be at least 1,600 MRI procedures (.80 times the total capacity of 1 procedure per hour times 40 hours per week times 50 weeks per year), and that:

1. It has an existing and ongoing working relationship with a breast-imaging radiologist or radiology proactive group that has experience interpreting breast images provided by mammography, ultrasound, and MRI unit equipment, and that is trained to interpret images produced by an MRI unit configured exclusively for mammographic studies;

2. Its existing mammography equipment, breast ultrasound equipment, and the proposed dedicated breast MRI unit are in compliance with the federal Mammography Quality Standards Act;

3. It is part of or has a formal affiliation with an existing healthcare system that provides comprehensive cancer care, including radiation oncology, medical oncology, surgical oncology and an established breast cancer treatment program that is based in the proposed service area.

4. It has an existing relationship with an established collaborative team for the treatment of breast cancer that includes radiologists, pathologists, radiation oncologists, hematologist/oncologists, surgeons, obstetricians/gynecologists, and primary care providers.

b. Dedicated fixed or mobile Extremity MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Extremity MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity. Non-specialty MRI procedures shall not be performed on a Dedicated fixed or mobile Extremity MRI Unit and a CON granted for this use should so state on its face.

c. Dedicated fixed or mobile Multi-position MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Multi-position MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity. Non-specialty MRI procedures shall not be performed on a Dedicated fixed or mobile Multi-position MRI Unit and a CON granted for this use should so state on its face.

Criteria 5a-5c are not applicable. The proposed unit is not a specialty unit.

6. Separate Inventories for Specialty MRI Units and non-Specialty MRI Units. If data availability permits, Breast, Extremity, and Multi-position MRI Units shall not be counted in the inventory of non-Specialty fixed or mobile MRI Units, and an inventory for each category of Specialty MRI Unit shall be counted and maintained separately. None of the Specialty MRI Units may be replaced with non-Specialty MRI fixed or mobile MRI Units and a Certificate of Need granted for any of these Specialty MRI Units shall have included on its face a statement to that effect. A non-Specialty fixed or mobile MRI Unit for which a CON is granted for Specialty MRI Unit purpose use-only shall be counted in the specific Specialty MRI Unit inventory and shall also have stated on the face of its Certificate of Need that it may not be used for non-Specialty MRI purposes.

The applicant's data comply with this requirement.

7. Patient Safety and Quality of Care. The applicant shall provide evidence that any proposed MRI Unit is safe and effective for its proposed use.

a. The United States Food and Drug Administration (FDA) must certify the proposed MRI Unit for clinical use.

Please see the Attachments for the FDA letter documenting approval for use.

b. The applicant should demonstrate that the proposed MRI Procedures will be offered in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.

The MRIs location, installation and operation will conform to all applicable Federal, State and local requirements and to the manufacturer's specifications.

c. The applicant should demonstrate how emergencies within the MRI Unit facility will be managed in conformity with accepted medical practice.

Emergencies will be managed using policies and procedures to be developed after the facility is approved and under development. Those will incorporate best practices for emergency response to any patient need. Medical and ODC staff will be trained in emergency response. Emergency transfer agreements will be in place with one or more area hospitals. All radiologists working onsite will have admitting privileges at those hospitals. The facility will continuously maintain a crash cart with appropriate equipment, medications, and supplies.

d. The applicant should establish protocols that assure that all MRI Procedures performed are medically necessary and will not unnecessarily duplicate other services.

The applicant will perform retrospective reviews on MRI necessity as part of its Quality Improvement program. In addition, the supervising radiologists who receive all physician

requests for MRI will routinely identify requested studies that need to be reviewed with the requesting physician as to appropriateness and necessity.

e. An applicant proposing to acquire any MRI Unit or institute any MRI service, including Dedicated Breast and Extremity MRI Units, shall demonstrate that it meets or is prepared to meet the staffing recommendations and requirements set forth by the American College of Radiology, including staff education and training programs.

The applicant's MRI service will be ACR-accredited. Part of the accreditation process is assurance of appropriate staff education and training. The applicant is committed to meet the staffing and staff education and training requirements of the ACR.

f. All applicants shall commit to obtain accreditation from the Joint Commission, the American College of Radiology, or a comparable accreditation authority for MRI within two years following operation of the proposed MRI Unit.

The applicant will seek ACR Accreditation for its equipment within two years of opening the MRI service.

g. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.

The applicant will seek emergency transfer agreements from TriStar Southern Hills Medical Center and TriStar StoneCrest Medical Center.

8. The applicant should provide assurances that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.

The applicant will do so.

9. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, "Every citizen should have reasonable access to health care," the HSDA may decide to give special consideration to an applicant:

a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;

The project is not located in an area with such Federal designation.

b. Who is a “safety net hospital” or a “children’s hospital” as defined by the Bureau of TennCare Essential Access Hospital payment program; or

Not applicable to an ODC that is not owned by such a facility.

c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program; or

The applicant commits to seek contracts with all MCOs active in its service area, as well as with Medicare. All studies performed in the ODC on MCO patients will be interpreted by physicians in contract with the facility and with those MCOs.

d. Who is proposing to use the MRI unit for patients that typically require longer preparation and scanning times (e.g., pediatric, special needs, sedated, and contrast agent use patients). The applicant shall provide in its application information supporting the additional time required per scan and the impact on the need standard.

The applicant is not claiming this special consideration.

Project-Specific Review Criteria: Outpatient Diagnostic Centers

1. The need for outpatient diagnostic services shall be determined on a county by county basis (with data presented for contiguous counties for comparative purposes) and should be projected four years into the future using available population figures.

This criterion is not useful to evaluate this project. In this case, reliance on service area population of the project's county would be misleading because almost half of the patients using service area MRI units reside in counties outside the 3-county service area. The service area's MRI utilization substantially exceeds the State's utilization Guideline. Utilization has increased over the past two years. Over the next four years, population growth of the service area is projected to be 7.4%, compared to the State's increase of 4.2% during that time.

The other imaging modalities in this project are not regulated services and do not require utilization reports. In these circumstances, applicants are unable to quantify an areawide need for modalities other than MRI.

2. Approval of outpatient diagnostic services will be made only when it is demonstrated that existing services in the applicant's geographical service area are not adequate and/or there are special circumstances which require additional services.

The applicant has demonstrated that with respect to MRI, publicly accessible MRI units are utilized at 109% of the State Plan standard for adding MRI capacity. There is no State Plan standard or Guideline defining optimal utilization for CT or other diagnostic modalities offered in this project; nor is there reported areawide utilization data on imaging modalities at all providers, other than for MRI and CT; so no projections can be made on the area need for other modalities in the project.

3. Any special needs and circumstances:

a. The needs of both medical and outpatient diagnostic facilities and services must be analyzed.

Needs have been analyzed in B.II.C. for facilities for which data is publicly available and for which need criteria exist in the State Health Plan or Guidelines for Growth.

b. Other special needs and circumstances which might be pertinent must be analyzed.

None has been identified.

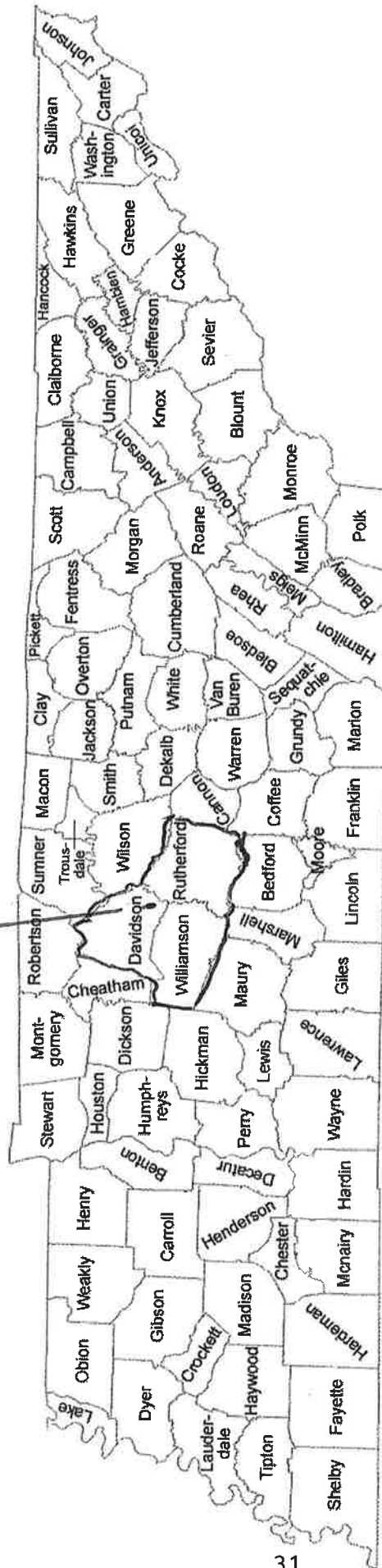
c. The applicant must provide evidence that the proposed diagnostic outpatient services will meet the needs of the potential clientele to be served.

- 1. The applicant must demonstrate how emergencies within the outpatient diagnostic facility will be managed in accordance with accepted medical practice.**
- 2. The applicant must establish protocols that will assure that all clinical procedures performed are medically necessary and will not unnecessarily duplicate other services.**

This has been covered with respect to the MRI criteria. The same protocols will apply to other modalities in the ODC as well.

ANTIOCH OUTPATIENT DIAGNOSTIC CENTER

PRIMARY SERVICE AREA



4a(1). Describe the demographics of the population to be served by the proposal.

The primary service area is large and rapidly growing. Its current population is estimated at 1,255,998. The Tennessee Department of Health projects that in four years, by 2022, it will have a population of 1,356,791 persons. That will be an increase of 8% in just four years--almost twice the 4.4% population growth rate Statewide over the same period.

The primary service area has an overall median age averaging 35.4 years, which is markedly younger than the State's 38.5 year median age.

The area has a median household income of \$69,552, substantially higher than the State's \$46,574 median income. Approximately 14.1% of area residents live below the Federally-defined poverty level, compared to 17.2% Statewide. Approximately 16.5% of service area residents are TennCare enrollees compared to 17.2% Statewide.

As the table on the following page shows, the very large Antioch zip code where this project will be located has an especially large and rapidly growing population. It is projected to increase in population by 13.1% over the next four years, much faster than the State growth rate of 4.4% and the 3-county service area growth rate which is 8.0%. In 2022, this single zip code is projected to have 113,039 residents--exceeding the populations of more than 75 of Tennessee's 95 counties. This zip code will contain 15.5% of Davidson County's entire population, and will equal 30.7% of Rutherford County's entire population. Yet, at present, none of the service area's 17 ODCs and 65 MRI units is located within the Antioch zip code.

4a(2). Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the U.S. Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data:

<http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data:

<http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder:

<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Please see the Table B-Need-4A(2) on the following page.

Table B-Need-4A(2): Antioch ODC--Primary Service Area Demographic Data

Table B-Need-4A(2): Antioch ODC--Primary Service Area Demographic Data														
	Department of Health / Health Statistics							Bureau of the Census					TennCare	
	Current Total Population 2018	Projected Total Population 2022	Total Population % Change 2018 - 2022	Projected Target Population (All Ages) 2018	Projected Target Population (All Ages) 2022	Projected Target Population (All Ages) % Change 2018 - 2022	Projected Target Population (All Ages) As % of Projected Total Population 2022	Median Age	Median Household Income	Persons Below Poverty Level	Persons Below Poverty Level as % of Total Population	Current TennCare Enrollees (November 2017)	TennCare Enrollees as % of County Population	
Service Area Counties Containing the Primary Service Area														
Davidson	698,061	730,404	4.6%	698,061	730,404	4.6%	100.0%	34.2	\$50,484	123,557	17.7%	142,702	20.4%	
Rutherford	332,411	368,752	10.9%	332,411	368,752	10.9%	100.0%	32.9	\$58,032	41,884	12.6%	51,881	15.6%	
Williamson	225,526	257,635	14.2%	225,526	257,635	14.2%	100.0%	39.0	\$100,140	11,727	5.2%	12,650	5.6%	
Service Area Counties	1,255,998	1,356,791	8.0%	1,255,998	1,356,791	8.0%	100.0%	35.4	\$69,552	177,168	14.1%	207,233	16.5%	
State of TN	6,960,524	7,263,893	4.4%	6,960,524	7,263,893	4.4%	100.0%	38.5	\$46,574	1,197,210	17.2%	1,565,932	17.2%	
Antioch Zip Code 37013	99,928	113,039	13.1%	99,928	113,039	13.1%	100.0%	31.9	\$49,805	15,089	15.1%			

Sources: County-Level and Statewide TDOH Population Projections; U.S. Census QuickFacts/Facfinder; TennCare Bureau.
Zip Code Level Population from American Community Survey, U.S. Census Bureau; projections based on 2011-16 5-year growth rate.
Service area data is either total, or average, as appropriate.

4b. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

The Antioch sector of the service area, where this project is to be located, is very populous and is growing rapidly. In 2022, this single zip code is projected to have 113,039 residents--exceeding the populations of more than 75 of Tennessee's 95 counties. This zip code will contain 15.5% of Davidson County's entire population and will equal 30.7% of Rutherford County's entire population. Yet, at present, none of the service area's 17 ODCs and 65 MRI units is located within the Antioch zip code.

It has a much lower median household income (\$49,805) than the three-county project service area (\$69,552).

Many Antioch-area residents, particularly elderly and lower-income persons, need faster and less expensive access to outpatient diagnostic care than they now have. ODCs typically have lower charges than hospitals; and 15 of the 18 ODCs in the service area are 21-30 minutes' drive time from this project in the heart of Antioch.

Not only will the Antioch ODCs charge structure be relatively low, the ODC will contract with all TennCare MCOs as well as Medicare, and it will provide limited charity care.

5. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must provide the following data: admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the appropriate measures, e.g., cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

a. The Service Area Meets Regional Needs

The ODCs primary service area (its “PSA”) will be Davidson, Rutherford and Williamson Counties. They contain almost one-fifth (18.7%) of Tennessee’s total population. They are a high-growth area whose population is increasing almost twice as fast as the Statewide population. The proposed Antioch ODC is named for its central location in the Antioch area of southeastern Davidson County, close to I-24. Many parts of the Antioch zip code have a relatively low household income. It has one of the service area’s fastest growing populations.

These three counties constitute the major health services referral area for much of Middle Tennessee. Medical care providers located in these three counties also serve patients from many other counties. For example, in MRI, the HSDA Registry data show that MRI units in these three counties performed 193,771 MRI procedures in 2017 (last reporting year). Of those, 43.6% were for patients living in other counties.

The need for diagnostic imaging capacity in the service area is not based solely on the needs of its residents. Area providers serve a regional patient population, many of whom must drive long distances to reach their facilities. Such patients need rapid access to outpatient diagnostic services.

As of 2017, the three-county PSA contained 65.2 total MRI units. Of these, 62.7 were non-specialty units; and 2.5 were specialty units (which the State Health Plan excludes from the CON inventory when calculating area need).

The State Health Plan defines “optimal capacity” of a non-specialty MRI unit--the point at which an additional non-specialty MRI unit can be added--as 2,880 procedures for a stationary unit and 480 procedures per day for a mobile unit.

In 2017, the 62.7 non-specialty MRI units in the service area averaged 3,046 annual procedures per unit. That was 105.8% of optimal capacity. The “publicly accessible” non-specialty units (hospital, ODC, and mobile units) averaged 106.1% of optimal capacity. All units of all types--specialty and non-specialty, restricted and unrestricted, fixed and mobile--operated at 103.2% of the optimal guideline. See the accompanying tables on the six following pages for a complete break-down of the relevant data.

Table B-Need-5a(1): Current (2017) Utilization of Service Area MRIs				
	Number	Procedures	Procedures Per Unit	% of Optimal Utilization (2,880)
All MRI Units	65.2	193,771	2,972	103.2%
Publicly Accessible Units	51.7	157,921	3,055	106.1%
Private MD Office Units	13.5	35,850	2,656	92.2%
Non-Specialty Units	62.7	190,969	3,046	105.8%
Specialty Units	2.5	2,802	1,121	38.9%

Note: Publicly accessible units are those in hospitals, ODCs, and mobile settings. They do not include units in private physician practices, available only to patients of that practice. Specialty units are restricted to low-volume types of imaging such as breast, arm/leg or multi-position imaging, and are excluded from State Health Plan calculations of the need for general-purpose MRI units.

Table B-Need-5a(2): ALL MRI UNITS--Utilization in the Project's Three-County Primary Service Area 2015-2017

	COUNTY	NO. OF MRI'S (2017)	2015 UTILIZATION	2016 UTILIZATION	2017 UTILIZATION	2017 AVERAGE UTILIZATION PER MRI	% OF MRI OPTIMAL STANDARD (2,880)	2015-2017 ANNUAL GROWTH RATE
Nashville General Hospital	Davidson	1	1,398	1,564	1,610	1,610	55.9%	
One Hundred Oaks Breast Center	Davidson	1	870	934	984	984	34.2%	
St. Thomas Hospital Midtown	Davidson	1	2,825	3,156	3,503	3,503	121.6%	
St. Thomas Hospital West	Davidson	2	4,944	5,962	3,156	1,578	54.8%	
St. Thomas Hospital Rutherford	Rutherford	2	2,572	3,306	2,070	1,035	35.9%	
Tristar Centennial Medical Center	Davidson	4	9,729	9,755	10,470	2,618	90.9%	
Tristar Skyline Medical Center	Davidson	2	8,097	7,155	7,538	3,769	130.9%	
Tristar Southern Hills Medical Center	Davidson	1	2,771	2,930	2,932	2,932	101.8%	
Tristar StoneCrest Medical Center	Rutherford	1	2,896	3,072	2,864	2,864	99.4%	
Tristar Summit Medical Center	Davidson	1	4,363	4,292	4,677	4,677	162.4%	
Vanderbilt University Medical Center	Davidson	6	30,164	30,797	32,772	5,462	189.7%	
Williamson Medical Center	Williamson	1	4,740	4,365	3,561	3,561	123.6%	
HOSPITAL SUBTOTAL		23	75,369	77,288	76,137	3,310	114.9%	1.0%
Cool Springs Imaging	Williamson	1	4,954	4,838	4,395	4,395	152.6%	
Hillsboro Imaging	Davidson	1	4,379	3,905	3,692	3,692	128.2%	
Imaging Center of Murfreesboro (see Note 4)	Rutherford	1	5,244	5,624	5,624	5,624	195.3%	
One Hundred Oaks Imaging (Not Breast Imaging)	Davidson	2	5,623	8,302	8,600	4,300	149.3%	
Outpatient Diagnostic Cntr of Nashville	Davidson	2	5,498	5,260	5,177	2,589	89.9%	
Hughston Clinic Orthopedics at Harding Place	Davidson	2	4,436	5,156	2,054	1,027	35.7%	
Millennium MRI (Specialty Multi-Position)	Davidson	0.5	495	313	303	606	21.0%	
Next Generation Imaging (Specialty Multi-Position)	Davidson	0.5	763	857	618	1,236	42.9%	
Premier Radiology Belle Meade	Davidson	3	5,930	6,930	7,617	2,539	88.2%	
Premier Radiology Brentwood	Davidson	1	2,914	2,517	2,966	2,966	103.0%	
Premier Radiology Cool Springs	Williamson	2	3,768	4,435	5,005	2,503	86.9%	
Premier Radiology Hermitage	Davidson	2	5,162	5,735	6,721	3,361	116.7%	
Premier Radiology Murfreesboro	Rutherford	2	6,480	7,384	7,998	3,999	138.9%	
Premier Radiology Nashville	Davidson	1	1,954	2,165	2,886	2,886	100.2%	
Premier Radiology Smyrna	Rutherford	2	3,614	4,334	4,677	2,339	81.2%	
Premier Radiology St Thomas Midtown	Davidson	2	3,735	4,215	4,550	2,275	79.0%	
Premier Radiology St. Thomas West	Davidson	1	2,568	2,889	3,033	3,033	105.3%	
Specialty MRI (Breast Imaging)	Davidson	0.5	797	799	897	1,794	62.3%	
Tristar Summit Medical Center - ODC	Davidson	1	2,040	1,954	1,773	1,773	61.6%	
Belle Meade Imaging	Davidson	1	3,050	2,699	2,317	2,317	80.5%	
ODC SUBTOTAL		28.5	73,404	80,311	80,903	2,839	98.6%	10.2%
Mobile MRI Services-Briarville (see note 5)	Davidson	0.2	0	696	881	4,405	153.0%	26.6%
MOBILE SUBTOTAL		0.2	0	696	881	4,405	153.0%	26.6%
TOTAL OF PUBLICLY ACCESSIBLE UNITS		51.7	148,773	158,295	157,921	3,055	106.1%	6.1%
Elite Sports Med & Orthopedic Center	Davidson	3	6,437	6,859	8,116	2,705	93.9%	
Heritage Medical Associates-Murphy Ave. (See note 2)	Davidson	0.5	1,595	1,461	1,373	2,746	95.3%	
Murfreesboro Medical Clinic, Garrison Dr.	Rutherford	1	2,770	2,597	2,973	2,973	103.2%	
Nashville Bone & Joint	Davidson	0	1,001	841	0	0	0.0%	
St. Thomas Med. Partners (Howell Allen) (See Note 3)	Davidson	1	4,871	4,871	208	208	7.2%	
Pain Management Group, PC	Davidson	1	1,878	3,680	3,370	3,370	117.0%	
Pain Management Group, Murfreesboro	Rutherford	1	0	0	477	477	16.6%	
Tennessee Oncology, PET Services	Davidson	1	1,542	1,595	1,508	1,508	52.4%	
TN Orthopedic Alliance Imaging (Davidson Co)	Davidson	2	7,564	8,150	8,607	4,304	149.4%	
TN Orthopedic Alliance Imaging (Rutherford Co)	Rutherford	2	4,530	5,601	6,039	3,020	104.8%	
Vanderbilt Bone and Joint	Williamson	1	1,635	2,696	3,179	3,179	110.4%	
SUBTOTAL LIMITED ACCESS MD PRACTICE UNITS		13.5	33,823	38,351	35,850	2,656	92.2%	6.0%
GRAND TOTAL, ALL MRI UNITS		65.2	182,596	196,646	193,771	2,972	103.2%	6.1%

Source: HSDA Registry April 2018.

Notes:

1. Specialty units and data in italics denote units excluded from calculating areawide utilization under State Health Plan MRI Review Criteria.
2. Heritage Medical Associates-Murphy Avenue is a shared MRI unit (0.5 units); the provider using the other 0.5 of that unit is a dedicated breast imaging unit.
3. Due to an acquisition and IS changes, this provider could not report 2016 data so this table estimates it as equal to its 2015 data.
4. This provider could not report 2017 data so this table estimates it as equal to its 2016 data.
5. The mobile MRI serves 1 day / week; its State Health Plan optimal standard is 480 procedures per year, reflected in the calculation of utilization as % of optimal.

**Table B-Need-5a(3): NON-SPECIALTY MRI Utilization in the Project's Three-County Primary Service Area 2015-2017
(For Use in Determining Average Service Area Utilization Under State Health Plan Review Criteria)**

	COUNTY	NO. OF MRI'S (2017)	2015 UTILIZATION	2016 UTILIZATION	2017 UTILIZATION	2017 AVERAGE UTILIZATION PER MRI	% OF MRI OPTIMAL STANDARD (2,880)	2015-2017 ANNUAL GROWTH RATE
Nashville General Hospital	Davidson	1	1,398	1,564	1,610	1,610	55.9%	
St. Thomas Hospital Midtown	Davidson	1	2,825	3,156	3,503	3,503	121.6%	
St. Thomas Hospital West	Davidson	2	4,944	5,962	3,156	1,578	54.8%	
St. Thomas Hospital Rutherford	Rutherford	2	2,572	3,306	2,070	1,035	35.9%	
Tristar Centennial Medical Center	Davidson	4	9,729	9,755	10,470	2,618	90.9%	
Tristar Skyline Medical Center	Davidson	2	8,097	7,155	7,538	3,769	130.9%	
Tristar Southern Hills Medical Center	Davidson	1	2,771	2,930	2,932	2,932	101.8%	
Tristar StoneCrest Medical Center	Rutherford	1	2,896	3,072	2,864	2,864	99.4%	
Tristar Summit Medical Center	Davidson	1	4,363	4,292	4,677	4,677	162.4%	
Vanderbilt University Medical Center	Davidson	6	30,164	30,797	32,772	5,462	189.7%	
Williamson Medical Center	Williamson	1	4,740	4,365	3,561	3,561	123.6%	
HOSPITAL SUBTOTAL		22	74,499	76,354	75,153	3,416	118.6%	0.9%
Cool Springs Imaging	Williamson	1	4,954	4,838	4,395	4,395	152.6%	
Hillsboro Imaging	Davidson	1	4,379	3,905	3,692	3,692	128.2%	
Imaging Center of Murfreesboro (see Note 4)	Rutherford	1	5,244	5,624	5,624	5,624	195.3%	
One Hundred Oaks Imaging (Not Breast Imaging)	Davidson	2	5,623	8,302	8,600	4,300	149.3%	
Outpatient Diagnostic Cntr of Nashville	Davidson	2	5,498	5,260	5,177	2,589	89.9%	
Hughston Clinic Orthopedics at Harding Place	Davidson	2	4,436	5,156	2,054	1,027	35.7%	
Premier Radiology Belle Meade	Davidson	3	5,930	6,930	7,617	2,539	88.2%	
Premier Radiology Brentwood	Davidson	1	2,914	2,517	2,966	2,966	103.0%	
Premier Radiology Cool Springs	Williamson	2	3,768	4,435	5,005	2,503	86.9%	
Premier Radiology Hermitage	Davidson	2	5,162	5,735	6,721	3,361	116.7%	
Premier Radiology Murfreesboro	Rutherford	2	6,480	7,384	7,998	3,999	138.9%	
Premier Radiology Nashville	Davidson	1	1,954	2,165	2,886	2,886	100.2%	
Premier Radiology Smyrna	Rutherford	2	3,614	4,334	4,677	2,339	81.2%	
Premier Radiology St Thomas Midtown	Davidson	2	3,735	4,215	4,550	2,275	79.0%	
Premier Radiology St. Thomas West	Davidson	1	2,568	2,889	3,033	3,033	105.3%	
Tristar Summit Medical Center - ODC	Davidson	1	2,040	1,954	1,773	1,773	61.6%	
Belle Meade Imaging	Davidson	1	3,050	2,699	2,317	2,317	80.5%	
ODC SUBTOTAL		27	71,349	78,342	79,085	2,929	101.7%	10.8%
Mobile MRI Services-Briarville (see note 5)	Davidson	0.2	0	696	881	4,405	153.0%	26.6%
MOBILE SUBTOTAL		0.2	0	696	881	4,405	153.0%	26.6%
TOTAL OF PUBLICLY ACCESSIBLE NON-SPECIALTY UNITS		49.2	145,848	155,392	155,119	3,153	109.5%	6.4%
Elite Sports Med & Orthopedic Center	Davidson	3	6,437	6,859	8,116	2,705	93.9%	
Heritage Medical Associates-Murphy Ave. (See note 2)	Davidson	0.5	1,595	1,461	1,373	2,746	95.3%	
Murfreesboro Medical Clinic, Garrison Dr.	Rutherford	1	2,770	2,597	2,973	2,973	103.2%	
Nashville Bone & Joint	Davidson	0	1,001	841	0	0	0.0%	
St. Thomas Med. Partners (Howell Allen) (See Note 3)	Davidson	1	4,871	4,871	208	208	7.2%	
Pain Management Group, PC	Davidson	1	1,878	3,680	3,370	3,370	117.0%	
Pain Management Group, Murfreesboro	Rutherford	1	0	0	477	477	16.6%	
Tennessee Oncology, PET Services	Davidson	1	1,542	1,595	1,508	1,508	52.4%	
TN Orthopedic Alliance Imaging (Davidson Co)	Davidson	2	7,564	8,150	8,607	4,304	149.4%	
TN Orthopedic Alliance Imaging (Rutherford Co)	Rutherford	2	4,530	5,601	6,039	3,020	104.8%	
Vanderbilt Bone and Joint	Williamson	1	1,635	2,696	3,179	3,179	110.4%	
SUBTOTAL LIMITED ACCESS MD PRACTICE UNITS		13.5	33,823	38,351	35,850	2,656	92.2%	6.0%
GRAND TOTAL, NON-SPECIALTY MRI UNITS		62.7	179,671	193,743	190,969	3,046	105.8%	6.3%

Source: HSDA Registry April 2018.

Notes:

1. As required by the State Health Plan, this table excludes specialty units: 2 multiposition MRI providers (sharing 1 unit), 1 dedicated breast MRI unit, and a 0.5 MRI shared unit used exclusively for breast studies.
2. Heritage Medical Associates-Murphy Avenue is a shared MRI unit (0.5 units); the provider using the other 0.5 of that unit is a dedicated breast MRI provider (see note #1).
3. Due to an acquisition and IS changes, this provider could not report 2016 data so this table estimates it as equal to its 2015 data.
4. This provider could not report 2017 data so this table estimates it as equal to its 2016 data.
5. The mobile MRI serves one day per week in the service area; its State Health Plan optimal standard is 480 procedures per year.

Table B-Need-5a(4): Providers of MRI Services to Primary Service Area Counties, 2017

Provider County	Provider Type	Provider	Year	Resident County	Number of Procedures
Davidson	HOSP	Vanderbilt University Medical Center	2017	Davidson	6,905
Davidson	PO	Tennessee Orthopaedic Alliance Imaging	2017	Davidson	4,358
Davidson	ODC	Premier Radiology Hermitage	2017	Davidson	3,855
Davidson	HOSP	TriStar Centennial Medical Center	2017	Davidson	3,657
Davidson	HOSP	TriStar Skyline Medical Center	2017	Davidson	3,649
Davidson	ODC	Premier Radiology Belle Meade	2017	Davidson	3,176
		Other Providers Serving 5% or Less of County Patients			33,771
Total MRI Procedures for Davidson County Residents					59,371
Rutherford	ODC	Premier Radiology Murfreesboro	2017	Rutherford	4,731
Rutherford	PO	Tennessee Orthopaedic Alliance Imaging	2017	Rutherford	3,579
Rutherford	ODC	Premier Radiology Smyrna	2017	Rutherford	3,196
Rutherford	HOSP	TriStar Stonecrest Medical Center	2017	Rutherford	2,162
Rutherford	PO	Murfreesboro Medical Clinic-Garrison Drive	2017	Rutherford	1,974
Davidson	HOSP	Vanderbilt University Medical Center	2017	Rutherford	1,908
Rutherford	HOSP	St. Thomas Rutherford Hospital	2017	Rutherford	1,336
		Other Providers Serving 5% or Less of County Patients			5,550
Total MRI Procedures for Davidson County Residents					24,436
Williamson	ODC	Premier Radiology Cool Springs	2017	Williamson	2,894
Williamson	ODC	Cool Springs Imaging	2017	Williamson	2,436
Davidson	HOSP	Vanderbilt University Medical Center	2017	Williamson	2,013
Williamson	HOSP	Williamson Medical Center	2017	Williamson	1,985
Williamson	PO	Vanderbilt Bone and Joint	2017	Williamson	1,683
Davidson	PO	Elite Sports Medicine & Orthopaedic Center	2017	Williamson	1,673
		Other Providers Serving 5% or Less of County Patients			7,344
Total MRI Procedures for Davidson County Residents					20,028

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Table B-Need-5a(5): Distances and Drive Times from Project to All MRI Units in the Service Area

All MRI Units Operational in 2017	Address	Zip Code	Miles from Project	Minutes Drive Time From Project
Stationary & Mobile General Purpose MRI Providers--Publicly Accessible				
Hospitals (11)				
Nashville General Hospital	1818 Obion Street, Nashville	37208	16.5	29 min.
St. Thomas Hospital Midtown	2000 Church Street, Nashville	37236	14.2	30 min.
St. Thomas Hospital West	4220 Harding Road, Nashville	37205	15.3	28 min.
St. Thomas Hospital Rutherford	1700 Medical Center Pkwy., Murfreesboro	37129	19.2	22 min.
Tristar Centennial Medical Center	2300 Patterson Street, Nashville	37203	14.6	30 min.
Tristar Skyline Medical Center	3441 Dickerson Pike, Nashville	37207	20.2	30 min.
Tristar Southern Hills Medical Center	391 Wallace Road, Nashville	37211	5.9	14 min.
Tristar StoneCrest Medical Center	200 StoneCrest Blvd., Smyrna	37167	8.1	12 min.
Tristar Summit Medical Center	5655 Frist Boulevard, Hermitage	37076	11.0	23 min.
Vanderbilt University Medical Center	1161 21st Avenue South, Nashville	37232	13.7	26 min.
Williamson Medical Center	4321 Carothers Parkway, Franklin	37068	17.8	32 min.
Outpatient Diagnostic Centers (17) and Mobile Units (1)				
Cool Springs Imaging	2009 Mallory Lane, Franklin	37067	15.4	28 min.
Hillsboro Imaging	1909 Acklen Avenue, Nashville	37212	13.2	24 min.
Imaging Center of Murfreesboro	1001 North Highland Avenue, Murfreesboro	37130	22.7	25 min.
One Hundred Oaks Imaging (Not Breast Imaging)	719 Thompson Ln., Nashville	37214	9.0	18 min.
Outpatient Diagnostic Cntr of Nashville	337 22nd Avenue North, Nashville	37203	14.5	26 min.
Hughston Clinic Orthopedics at Harding Place	394 Harding Place, Nashville	37211	5.5	11 min.
Mobile MRI Services-Briarville (0.2) 1 day per week	1210 Briarville Road, Suite 602F, Madison	37115	19.7	26 min.
Premier Radiology Belle Meade	28 White Bridge Road, Nashville	37205	16.1	27 min.
Premier Radiology Brentwood	789 Old Hickory Drive, Brentwood	37207	8.5	22 min.
Premier Radiology Cool Springs	3310 Aspen Grove Drive, Franklin	37067	15.7	30 min.
Premier Radiology Hermitage	5045 Old Hickory Boulevard, Hermitage	37076	17.8	21 min.
Premier Radiology Murfreesboro	1840 Medical Center Pkwy, Murfreesboro	37129	18.9	22 min.
Premier Radiology Nashville	1800 Charlotte Avenue, Nashville	37203	14.5	24 min.
Premier Radiology Smyrna	741 President Place, Smyrna	37167	7.9	10 min.
Premier Radiology St Thomas Midtown	300 20th Avenue North, Nashville	37203	14.5	24 min.
Premier Radiology St. Thomas West	4230 Harding Road, Nashville	37205	15.4	26 min.
Tristar Summit Medical Center - ODC	5655 Frist Boulevard, Hermitage	37076	11.0	22 min.
Vanderbilt Imaging Belle Meade (Belle Meade Imaging)	4525 Harding Road, Nashville	37205	15.7	27 min.
Stationary General Purpose MRI Providers--Restricted to MD Practices (10)				
Elite Sports Med & Orthopedic Cntr	2004 Hayes Street, Nashville	37203	14.4	25 min.
Heritage Medical Associates-Murphy Ave.	2018 Murphy Avenue, Nashville	37203	14.7	25 min.
Murfreesboro Medical Clinic, Garrison Dr.	1272 Garrison Drive, Murfreesboro	37129	18.8	21 min.
St. Thomas Med. Partners (formerly Howell-Allen)	2214 Elliston Place, Nashville	37203	14.7	25 min.
Pain Management Group, PC	5801 Crossings Boulevard, Antioch	37013	1.2	4 min.
Pain Management Group, Murfreesboro	1547 Warrior Drive, Murfreesboro	37128	20.7	20 min.
Tennessee Oncology, PET Services	2018 Murphy Avenue, Nashville	37203	14.2	26 min.
TN Orthopedic Alliance Imaging--Davidson Co.	8 City Boulevard, Nashville	37209	15.0	27 min.
TN Orthopedic Alliance Imaging--Rutherford Co.	1800 Medical Center Parkway, Murfreesboro	37129	18.9	21 min.
Vanderbilt Bone and Joint	206 Bedford Way, Franklin	37064	18.4	32 min.
Specialty Providers				
One Hundred Oaks Breast Center (1.0)	719 Thompson Lane, Suite 25000, Nashville	37204	10.0	20 min.
Next Generation Imaging (Standup MRI) (0.5)	1718 Charlotte Avenue, Nashville	37203	14.0	26 min.
Specialty MRI (0.5)	2018 Murphy Avenue, Suite 101, Nashville	37203	14.2	27 min.

Source: Google Maps, May 9, 2018

Note: Nashville Bone and Joint 0.5 shared unit was not operational. Data reflected in Tristar Summit Medical Center ODC at same location.

Table B-Need-5a(6): PSA Residents' Utilization of MRI Procedures At Units Within and Outside of the PSA 2017			
Residents of:	Total MRI Procedures at All TN Units	MRI Procedures At Units Within the PSA	MRI Procedures Obtained Outside the PSA
Davidson County	59,371	58,067 (97.8%)	1,304 (2.2%)
Rutherford County	24,436	24,279 (99.4%)	157 (0.6%)
Williamson County	20,028	19,816 (98.9%)	212 (1.1%)
PSA Total	103,835	102,162 (98.4%)	1,673 (1.6%)

Source: HSDA Registry. Data is for all MRI units including specialty units.

b. Projected Utilization of Non-Specialty MRI in the Project Service Area

Reasonably projected, future MRI utilization will continue to increase, at a rate that will allow an additional MRI to enter the service area, without lowering existing MRIs below optimal utilization levels.

From 2015 to 2017, non-specialty MRI procedures increased 6.1%. At a slower market growth rate of at least 2% per year, the applicant projects that in 2021 (Year One of this project), the service area will need to deliver 206,711 procedures. By 2023 (Year Three of this project) the service area will need to deliver 215,062 procedures. Those projections represent an increase of 15,742 and 24,093 procedures, respectively. As shown in the table below, that growth is enough to fill 5 to 8 additional MRI units to optimal capacity.

With conservatively projected market growth, optimal operation of the Antioch MRI will be attained through growth in areawide demand. Existing providers as a group will increase in utilization and will remain above the optimal average areawide utilization target of the State Health Plan. They will not be negatively affected by this project, on average.

Table B-Need-5b: Non-Specialty MRI Utilization in the Service Area							
At 2% Annual Increase							
	Actual 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021-Yr 1	Projected 2022-Yr 2	Projected 2023-Yr 3
At 2% Per Increase After 2017	190,969	194,788	198,684	202,658	206,711	210,845	215,062
Procedure Increase Over 2017					15,742	19,876	24,093
MRIs Needed At 2,880 Per Unit					5	7	8

However, even were there to be no additional growth in demand over the next four years (an implausible scenario for Nashville), this project would still be acceptable under State Health Plan criteria. The State Plan excludes specialty units from its calculation of need for a non-specialty MRI such as the one proposed here. There are now 62.7 non-specialty units averaging 3,046 annual procedures per unit--well above the 2,880-procedure benchmark. If the Antioch MRI is approved, giving the market 63.7 units, the average utilization per unit will be 2,998 procedures per unit ($190,969 / 63.7 = 2,997.9$). That is still well above the 2,880-procedure State Health Plan benchmark.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Table B-Need-6a: Antioch ODC--Utilization Projections By Modality						
	Year 1	%	Year 2	%	Year 3	%
MRI	2,250	23.4%	2,700	23.4%	3,000	23.4%
CT	2,183	22.7%	2,619	22.7%	2,910	22.7%
Other	5,175	53.9%	6,210	53.9%	6,900	53.9%
Total	9,608		11,529		12,810	

Source: Radiology Alliance

MRI Utilization Projection

Radiology Alliance, P.C. will serve as medical staff for the ODC. Radiology Alliance is contracted to provide medical supervision and imaging interpretation for the Imaging Departments of six facilities distributed widely within the primary service area. In 2017, Radiology Alliance radiologists interpreted 30,254 MRI studies at those facilities, which were 15.9% of all non-specialty MRI studies performed by MRI units located in the PSA. Of these, 17,552 (58%) were for residents of the PSA.

By 2023, if those facilities experience the 2% annual increase in MRI procedures that the applicant projects for all the PSA units as a group (see preceding section of this application), Radiology Alliance will interpret 34,071 MRI procedures that year, and the PSA's MRI units in total will perform 215,062 MRI procedures.

Table B-Need-6b: PSA Market Growth and Radiology Alliance MRI Interpretations (2% Annual Increase)							
	Actual 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021-Yr 1	Projected 2022-Yr 2	Projected 2023-Yr 3
Total MRI Procedures Performed in PSA	190,969	194,788	198,684	202,658	206,711	210,845	215,062
Radiology Alliance MRI Interpretations	30,254	30,859	31,476	32,106	32,748	33,403	34,071

The applicant projects that approximately 3,000 MRI studies will be referred to the Antioch ODC in Year Three. That will be only approximately 10% of its current volume of studies at all locations in the primary service area. The projected referrals will occur for several reasons.

First, Radiology Alliance is widely known among referring physicians for its deep expertise in MRI interpretation. Referrals will be made to their new location with complete trust in their quality of interpretation and their responsiveness to the referring physician.

Second, the cost of an MRI at this ODC will be much more economical for both the payor and the patient compared to a hospital alternative. This is particularly important at a time when patient copays are increasing and major payor initiatives are arising to re-direct MRIs into lower-cost settings than the hospital.

Third, the project will be very financially accessible to all payor groups, and very accessible via the interstate network around and within Nashville. It also will offer early evening and Saturday hours for patients who have difficulty coming during routine weekday hours.

Fourth, it will be located in one of the service area's most rapidly growing sectors.

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

1.A. All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee), (See application instructions for Filing Fee.)

The Project Cost Chart has a larger total project cost than the referenced minimum.

1.B. The cost of any lease, The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

At this time the applicant plans to purchase all equipment required for the project.

The first page following the Project Cost Chart shows the fair market value calculations for the project's leased space.

1.C. The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

Following the Project Cost Chart are two pages of tables.

The first page after the Chart shows calculation of the fair market value of the project, comparing the lease outlay to the market value of the space being leased. The second page after the Chart is a table showing the costs of all the diagnostic modalities, consisting of their purchase price (delivered), sales tax, and service agreements. On the Chart, costs associated with the equipment acquisition are entered in line A.7 and costs associated with the service agreements are entered in line B.5.

PROJECT COST CHART-- ANTIOCH OUTPATIENT DIAGNOSTIC CENTER

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	8%	\$	157,094
2. Legal, Administrative, Consultant Fees (Excl CON Filing Fee)			50,000
3. Acquisition of Site			0
4. Preparation of Site			0
5. Total Construction Cost	6890 SF @ \$285 minus TI		1,963,678
6. Contingency Fund	5%		98,184
7. Fixed Equipment (Not included in Construction Contract)			2,673,505
8. Moveable Equipment (List all equipment over \$50,000 as separate attachment)			5,000
9. Other (Specify)	IS / telecommunications		177,000
	furnishings		10,000

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	7 yrs lease outlay	1,683,651
2. Building only		0
3. Land only		0
4. Equipment (Specify)		0
5. Other (Specify)	Equipment Service Agreements	1,664,621

C. Financing Costs and Fees:

1. Interim Financing	128,362
2. Underwriting Costs	
3. Reserve for One Year's Debt Service	
4. Other (Specify)	

D. Estimated Project Cost (A+B+C)

8,611,095

E. CON Filing Fee

49,514

F. Total Estimated Project Cost (D+E)

TOTAL \$ 8,660,608

Actual Capital Cost 5,312,336
Section B FMV 3,348,272

**ANTIOCH OUTPATIENT DIAGNOSTIC CENTER
COMPARISON OF LEASE OUTLAY VS. FMV OF LEASED SPACE**

LEASE EXPENSE--FIRST TERM (7 Years)						
First Term of Years	Rentable SF	Base Lease Rate-\$PSF	Annual Base Lease Outlay	Pass-through Expenses-\$PSF	Annual PassThrough Expenses	Total Costs for Leased Space
Year 1	7,967	\$18.00	\$143,406.00	10.00	\$79,670.00	\$223,076.00
Year 2	7,967	\$18.45	\$146,991.15	10.25	\$81,661.75	\$228,652.90
Year 3	7,967	\$18.91	\$150,665.93	10.51	\$83,703.29	\$234,369.22
Year 4	7,967	\$19.38	\$154,432.58	10.77	\$85,795.88	\$240,228.45
Year 5	7,967	\$19.87	\$158,293.39	11.04	\$87,940.77	\$246,234.16
Year 6	7,967	\$20.37	\$162,250.73	11.31	\$90,139.29	\$252,390.02
Year 7	7,967	\$20.87	\$166,306.99	11.60	\$92,392.77	\$258,699.77
1st Term Total			\$1,082,346.77		\$601,303.76	\$1,683,650.53

Note: Base lease rate and estimated pass through expenses projected to increase at 2.5% per year.

ODC SPACE--FAIR MARKET VALUE	
ODC RSF	7,967
Building RSF	40,895
FPSC % of Building	19.5%
Bldg and Land FMV	\$2,250,000
ODC Space FMV (19.5%)	\$438,336

Lease

FPSC Space / Building Space

2013 Appraisal Escalated

FPSC Space % X Bldg and Land Cost

ANTIOCH ODC EQUIPMENT COSTS									
MODALITY	EQUIPMENT COST	STATE SALES TAX	COUNTY SALES TAX	TOTAL COST	SERVICE AGREEMENT ANNUAL COST	SERVICE AGREEMENT TERM	SERVICE AGREEMENT PAYMENT TOTAL	COST PLUS SERVICE AGREEMENT OUTLAY	VENDOR
MRI	\$1,026,616	\$77,402	\$23,099	\$1,127,117	\$113,600	6	\$681,600	\$1,808,717	GE
CT	\$576,239	\$40,417	\$12,965	\$629,621	\$90,420	7	\$632,940	\$1,262,561	GE
Ultrasound	\$109,720	\$7,760	\$2,469	\$119,949	\$12,787	7	\$89,509	\$209,458	GE
R&F(x-ray)	\$496,543	\$24,527	\$11,172	\$532,243	\$39,000	6	\$234,000	\$766,243	GE
Bone Density	\$66,500	\$4,735	\$1,496	\$72,731	\$6,643	4	\$26,572	\$99,303	HOLOGIC
TOTALS	\$2,275,619	\$154,841	\$51,201	\$2,430,459	\$262,450		\$1,664,621	\$4,095,080	
10% Increase Potential	\$2,503,180	\$170,325	\$56,322	\$2,673,505	\$288,695			\$4,504,588	

Source: Applicant's management.

Notes: 1. SA = Service Agreement annual cost applies in Year Two and thereafter.

2. Year Two Expenses on the Projected Data Chart will include \$315,740 for these service agreement costs

1.D. Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.

The Square Footage Chart has been completed and is consistent with the construction cost on line A.5 of the Project Cost Chart. However, there is no current information on construction cost per quartile for Outpatient Diagnostic Centers in the HSDA database, so that comparison cannot be made on the Square Footage Chart.

1.E. For projects that include new construction, modification, and/or renovation documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:

- 1) A general description of the project;**
- 2) An estimate of the cost to construct the project; and**
- 3) A description of the status of the site's suitability for the proposed project;**
- 4) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.**

See Attachment Section B-Economic Feasibility-1E.

2. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)

- ☐ A. Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;
- ☐ D. Grants – Notification of intent form for grant application or notice of grant award;
- ☐ E. Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- ☒ F. Other – Identify and document funding from all other sources.

See Attachment Section B-Economic Feasibility-2 for documentation of financing.

MEDNAX, the company that works with the applicant's parent company to provide radiology services across the United States, will fund the project through a cash grant. MEDNAX will sustain the operation financially as needed. Financial support from MEDNAX will be repaid from the project's earnings.

3. **Complete the Historical Data Charts on the following pages—Do not modify the Charts provided or submit Chart substitutions! Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. Only complete one chart if it suffices. Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.**

This is a proposed facility without an operating history, so this question is not applicable.

4. Complete Projected Data Charts on the following pages – *Do not modify the Charts provided or submit Chart substitutions!*

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. Only complete one chart if it suffices.

Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

The Projected Data Charts for the project’s MRI service, and for the ODC including the MRI, are provided on the following four pages.

X Total Facility
O

PROJECTED DATA CHART --ANTIOCH ODC (INCLUDING ALL MODALITIES)

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January.

		Year 2021 (Year One)	Year 2022 (Year Two)	Year 2023 (Year Three)
A. Utilization Data	Procedures	9,608	11,529	12,810
	(Specify unit or measure)			
B. Revenue from Services to Patients				
1. Inpatient Services		\$	\$	\$
2. Outpatient Services		\$ 5,824,151	\$ 6,988,981	\$ 7,765,535
3. Emergency Services		\$	\$	\$
4. Other Operating Revenue		\$	\$	\$
	(Specify) See notes page			
	Gross Operating Revenue	\$ 5,824,151	6,988,981	7,765,535
C. Deductions from Gross Operating Revenue				
1. Contractual Adjustments		\$ 3,545,091	\$ 4,240,434	\$ 4,696,324
2. Provision for Charity Care		\$ 18,868	\$ 22,755	\$ 25,410
3. Provisions for Bad Debt		\$ 252,917	\$ 305,018	\$ 340,603
	Total Deductions	\$ 3,816,876	\$ 4,568,207	\$ 5,062,337
NET OPERATING REVENUE		\$ 2,007,275	\$ 2,420,774	\$ 2,703,198
D. Operating Expenses				
1. Salaries and Wages				
a. Clinical		\$ 373,197	\$ 384,393	\$ 395,925
b. Non-Clinical		\$ 207,511	\$ 213,736	\$ 220,148
2. Physicians Salaries and Wages		\$	\$	\$
3. Supplies		\$ 108,342	\$ 130,011	\$ 144,456
4. Rent				
c. Paid to Affiliates		\$ 196,376	\$ 201,285	\$ 206,317
d. Paid to Non-Affiliates				
5. Management Fees				
a. Paid to Affiliates		\$ 100,364	\$ 121,039	\$ 135,160
b. Paid to Non-Affiliates		\$	\$	\$
6. Other Operating Expenses	See notes page	\$ 943,710	\$ 1,080,339	\$ 1,173,545
	Total Operating Expenses	\$ 1,929,500	\$ 2,130,802	\$ 2,275,552
E. Earnings Before Interest, Taxes, and Depreciation		\$ 77,776	\$ 289,972	\$ 427,646
F. Non-Operating Expenses				
1. Taxes		\$ 11,871	\$ 23,886	\$ 33,656
2. Depreciation		\$ 155,861	\$ 155,861	\$ 155,861
3. Interest		\$	\$	\$
4. Other Non-Operating Expenses		\$ 148,000	\$ 149,935	\$ 111,922
	Total Non-Operating Expenses	\$ 315,732	\$ 329,682	\$ 301,439
NET INCOME (LOSS)		\$ (237,956)	\$ (39,710)	\$ 126,207

Chart Continues Onto Next Page

	Year 2021	Year 2022	Year 2023
NET INCOME (LOSS)	\$ <u>(237,956)</u>	<u>(39,710)</u>	<u>126,207</u>
G. Other Deductions			
1. Annual Principal Debt Repayment	\$ <u> </u>	<u> </u>	<u> </u>
2. Annual Capital Expenditure	<u> </u>	<u> </u>	<u> </u>
Total Other Deductions	\$ <u>0</u>	<u>0</u>	<u>0</u>
NET BALANCE	\$ <u>(237,956)</u>	<u>(39,710)</u>	<u>126,207</u>
DEPRECIATION	\$ <u>155,861</u>	<u>155,861</u>	<u>155,861</u>
FREE CASH FLOW (Net Balance + Depreciation)	\$ <u>(82,095)</u>	<u>116,151</u>	<u>282,068</u>

X
O TOTAL FACILITY
PROJECT ONLY

PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES

	Year 2021	Year 2022	Year 2023
1. Professional Services Contract	\$ <u>549,747</u>	<u>662,995</u>	<u>740,344</u>
2. Service Expense	\$ <u>279,470</u>	<u>279,470</u>	<u>279,470</u>
3. Archive Fees	\$ <u>34,203</u>	<u>41,043</u>	<u>45,604</u>
4. Billing Fees	\$ <u>80,291</u>	<u>96,831</u>	<u>108,128</u>
5. <u> </u>	<u> </u>	<u> </u>	<u> </u>
6. <u> </u>	<u> </u>	<u> </u>	<u> </u>
7. <u> </u>	<u> </u>	<u> </u>	<u> </u>
8. <u> </u>	<u> </u>	<u> </u>	<u> </u>
9. <u> </u>	<u> </u>	<u> </u>	<u> </u>
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12. <u> </u>	<u> </u>	<u> </u>	<u> </u>
13. <u> </u>	<u> </u>	<u> </u>	<u> </u>
14. <u> </u>	<u> </u>	<u> </u>	<u> </u>
15. <u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Expenses	\$ <u>943,710</u>	<u>1,080,339</u>	<u>1,173,545</u>

0 Total Facility

X Project Only

PROJECTED DATA CHART --ANTIOCH ODC-- MRI ONLY

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2021 (Year One)	Year 2022 (Year Two)	Year 2023 (Year Three)
A.	Utilization Data Procedures	2,250	2,700	3,000
	(Specify unit or measure)			
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$	\$	\$
2.	Outpatient Services	\$ 2,818,889	\$ 3,382,667	\$ 3,758,519
3.	Emergency Services	\$	\$	\$
4.	Other Operating Revenue	\$	\$	\$
	(Specify) See notes page			
	Gross Operating Revenue	\$ 2,818,889	3,382,667	3,758,519
C.	Deductions from Gross Operating Revenue			
1.	Contractual Adjustments	\$ 1,715,824	\$ 2,052,370	\$ 2,273,021
2.	Provision for Charity Care	\$ 9,132	\$ 11,014	\$ 12,298
3.	Provisions for Bad Debt	\$ 122,412	\$ 147,628	\$ 164,852
	Total Deductions	\$ 1,847,368	\$ 2,211,012	\$ 2,450,171
	NET OPERATING REVENUE	\$ 971,521	\$ 1,171,655	\$ 1,308,348
D.	Operating Expenses			
1.	Salaries and Wages			
a.	Clinical	\$ 180,627	\$ 186,046	\$ 191,627
b.	Non-Clinical	\$ 100,435	\$ 103,448	\$ 106,552
2.	Physicians Salaries and Wages	\$ 0	\$ 0	\$ 0
3.	Supplies	\$ 52,438	\$ 62,925	\$ 69,917
4.	Rent			
c.	Paid to Affiliates	\$ 95,046	\$ 97,422	\$ 99,858
d.	Paid to Non-Affiliates			
5.	Management Fees			
a.	Paid to Affiliates	\$ 48,576	\$ 58,583	\$ 65,417
b.	Paid to Non-Affiliates	\$	\$	\$
6.	Other Operating Expenses See notes page	\$ 456,756	\$ 522,884	\$ 567,996
	Total Operating Expenses	\$ 933,878	\$ 1,031,308	\$ 1,101,367
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 37,643	\$ 140,346	\$ 206,981
F.	Non-Operating Expenses			
1.	Taxes	\$ 5,745	\$ 11,561	\$ 16,290
2.	Depreciation	\$ 75,437	\$ 75,437	\$ 75,437
3.	Interest	\$ 0	\$ 0	\$ 0
4.	Other Non-Operating Expenses	\$ 71,632	\$ 72,569	\$ 54,170
	Total Non-Operating Expenses	\$ 152,814	\$ 159,566	\$ 145,897
	NET INCOME (LOSS)	\$ (115,171)	\$ (19,219)	\$ 61,084

Chart Continues Onto Next Page

	Year 2021	Year 2022	Year 2023
NET INCOME (LOSS)	\$ (115,171)	(19,219)	61,084
G. Other Deductions			
1. Annual Principal Debt Repayment	\$		
2. Annual Capital Expenditure			
Total Other Deductions	\$ 0	0	0
NET BALANCE	\$ (115,171)	(19,219)	61,084
DEPRECIATION	\$ 75,437	75,437	75,437
FREE CASH FLOW (Net Balance + Depreciation)	\$ (39,734)	56,217	136,521

0
X
**TOTAL FACILITY
PROJECT ONLY**

PROJECTED DATA CHART -- OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	Year 2021	Year 2022	Year 2023
1. Professional Services Contract	\$ 266,077	320,889	358,326
2. Service Expense	\$ 135,263	135,263	135,263
3. Archive Fees	\$ 16,554	19,865	22,072
4. Billing Fees	\$ 38,861	46,866	52,334
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
Total Other Expenses	\$ 456,756	522,884	567,996

5.A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

MRI Only	Project Previous Year	Project Current Year	Project Year One	Project Year Two	% Change (Current Yr to Yr2)
Gross Charge (Gross Operating Revenue/Utilization Data)	NA	NA	\$1253	\$1253	none
Deduction from Revenue (Total Deductions/Utilization Data)	NA	NA	\$821	\$821	none
Average Net Charge (Net Operating Revenue/Utilization Data)	NA	NA	\$432	\$432	none

ODC Including MRI	Project Previous Year	Project Current Year	Project Year One	Project Year Two	% Change (Current Yr to Yr2)
Gross Charge (Gross Operating Revenue/Utilization Data)	NA	NA	\$606	\$606	none
Deduction from Revenue (Total Deductions/Utilization Data)	NA	NA	\$397	\$396	-.025%
Average Net Charge (Net Operating Revenue/Utilization Data)	NA	NA	\$209	\$210	+0.5%

B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

This is a proposed facility without an existing charge structure that could be impacted. The revenues projected for the facility are shown in the preceding Projected Data Charts.

C. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

The following two pages provide CY2016 average gross charges reported to the HSDA Registry by MRI and CT providers in the three-county service area. The applicant's projected CY2021 average gross charges in CY2021 are \$1,253 for MRI and \$956 for CT.

The third following page provides the projected average charges and the current Medicare reimbursement for the MRI and CT procedures expected to be most frequently performed at this ODC.

Table Economic Feasibility-5-C(1): Service Area Health Care Providers that Utilize MRI--2017						
County	Provider Type	Provider	Year	Total Procedures	Total Gross Charges	Average Charge Per Procedure
Davidson	HODC	TriStar Summit Medical Center - ODC	2017	1,773	\$12,378,041	\$6,981
Davidson	HOSP	Nashville General Hospital	2017	1,610	\$5,509,014	\$3,422
Davidson	HOSP	St. Thomas Midtown Hospital	2017	3,503	\$15,067,661	\$4,301
Rutherford	HOSP	St. Thomas Rutherford Hospital	2017	2,070	\$9,275,107	\$4,481
Davidson	HOSP	St. Thomas West Hospital	2017	3,156	\$13,574,976	\$4,301
Davidson	HOSP	TriStar Centennial Medical Center	2017	10,470	\$67,587,426	\$6,455
Davidson	HOSP	TriStar Skyline Medical Center	2017	7,538	\$54,632,842	\$7,248
Davidson	HOSP	TriStar Southern Hills Medical Center	2017	2,932	\$16,031,417	\$5,468
Rutherford	HOSP	TriStar Stonecrest Medical Center	2017	2,864	\$10,262,963	\$3,583
Davidson	HOSP	TriStar Summit Medical Center	2017	4,677	\$32,026,503	\$6,848
Davidson	HOSP	Vanderbilt University Medical Center	2017	32,772	\$143,098,790	\$4,366
Williamson	HOSP	Williamson Medical Center	2017	3,561	\$9,558,502	\$2,684
Davidson	ODC	Hughston Clinic Orthopaedics at Harding Place	2017	2,054	\$2,942,383	\$1,433
Davidson	ODC	Outpatient Diagnostic Center of Nashville	2017	5,177	\$7,043,593	\$1,361
Davidson	ODC	Premier Radiology Belle Meade	2017	7,617	\$15,937,172	\$2,092
Davidson	ODC	Premier Radiology Brentwood	2017	2,966	\$3,757,861	\$1,267
Williamson	ODC	Premier Radiology Cool Springs	2017	5,005	\$10,621,020	\$2,122
Davidson	ODC	Premier Radiology Hermitage	2017	6,721	\$13,782,972	\$2,051
Davidson	ODC	Premier Radiology Midtown	2017	4,550	\$11,246,098	\$2,472
Rutherford	ODC	Premier Radiology Murfreesboro	2017	7,998	\$17,209,692	\$2,152
Davidson	ODC	Premier Radiology Nashville	2017	2,886	\$5,888,200	\$2,040
Rutherford	ODC	Premier Radiology Smyrna	2017	4,677	\$9,569,013	\$2,046
Davidson	ODC	Premier Radiology St. Thomas West	2017	3,033	\$7,393,247	\$2,438
Davidson	ODC	Specialty MRI	2017	897	\$1,676,603	\$1,869
Davidson	PO	Elite Sports Medicine & Orthopaedic Center	2017	8,116	\$11,466,980	\$1,413
Davidson	PO	Heritage Medical Associates-Murphy Avenue	2017	1,373	\$1,162,945	\$847
Rutherford	PO	Murfreesboro Medical Clinic-Garrison Drive	2017	2,973	\$4,233,938	\$1,424
Davidson	PO	St. Thomas Medical Partners - Howell Allen Imaging Office	2017	208	\$141,540	\$680
Davidson	PO	Tennessee Oncology, PET Services	2017	1,508	\$1,274,685	\$845
Davidson	PO	Tennessee Orthopaedic Alliance Imaging	2017	8,607	\$13,144,630	\$1,527
Rutherford	PO	Tennessee Orthopaedic Alliance Imaging	2017	6,039	\$9,264,968	\$1,534
Williamson	PO	Vanderbilt Bone and Joint	2017	3,179	\$4,337,317	\$1,364
GROUP AVERAGE, ALL PROVIDERS REPORTING MRI CHARGES				162,510	\$541,098,099	\$3,330
Antioch ODC Projected Charge, CY2021						\$1,253

Medical Equipment Registry - 4/19/2018

Table Economic Feasibility-5-C(2): Service Area Health Care Providers that Utilize CT Scanners--2017						
County	Provider Type	Provider	Year	Total Procedures	Total Gross Charges	Avg Charge Per Procedure
Williamson	H-Imaging	Williamson Medical Center Outpatient Imaging	2017	4,301	\$8,910,581	\$2,072
Davidson	HODC	TriStar Summit Medical Center - ODC	2017	1,656	\$8,841,664	\$5,339
Davidson	HOSP	Nashville General Hospital	2017	11,114	\$24,050,589	\$2,164
Davidson	HOSP	St. Thomas Midtown Hospital	2017	17,698	\$59,114,185	\$3,340
Rutherford	HOSP	St. Thomas Rutherford Hospital	2017	16,096	\$53,540,789	\$3,326
Davidson	HOSP	St. Thomas West Hospital	2017	13,030	\$42,435,263	\$3,257
Davidson	HOSP	TriStar Centennial Medical Center	2017	36,019	\$243,710,038	\$6,766
Davidson	HOSP	TriStar Skyline Medical Center	2017	43,926	\$267,199,211	\$6,083
Davidson	HOSP	TriStar Southern Hills Medical Center	2017	18,208	\$103,178,156	\$5,667
Rutherford	HOSP	TriStar Stonecrest Medical Center	2017	22,983	\$82,067,546	\$3,571
Davidson	HOSP	TriStar Summit Medical Center	2017	33,383	\$213,859,581	\$6,406
Davidson	HOSP	Vanderbilt University Medical Center	2017	105,463	\$326,129,117	\$3,092
Williamson	HOSP	Williamson Medical Center	2017	20,324	\$41,307,679	\$2,032
Davidson	ODC	Imaging Alliance - Nashville PET, LLC	2017	8,605	\$7,256,205	\$843
Davidson	ODC	Outpatient Diagnostic Center of Nashville	2017	2,530	\$2,461,231	\$973
Davidson	ODC	Premier Radiology Belle Meade	2017	5,277	\$5,498,563	\$1,042
Davidson	ODC	Premier Radiology Brentwood	2017	2,497	\$2,330,353	\$933
Williamson	ODC	Premier Radiology Cool Springs	2017	3,210	\$2,505,071	\$780
Davidson	ODC	Premier Radiology Hermitage	2017	2,554	\$2,739,141	\$1,072
Davidson	ODC	Premier Radiology Midtown	2017	4,089	\$4,737,566	\$1,159
Rutherford	ODC	Premier Radiology Murfreesboro	2017	7,182	\$7,601,658	\$1,058
Davidson	ODC	Premier Radiology Nashville	2017	3,381	\$3,563,884	\$1,054
Rutherford	ODC	Premier Radiology Smyrna	2017	2,591	\$2,650,551	\$1,023
Davidson	ODC	Premier Radiology St. Thomas West	2017	8,456	\$9,887,831	\$1,169
Rutherford	ODC	Tennessee PET Scan Center	2017	8,385	\$7,055,970	\$841
Williamson	PO	Franklin CT	2017	1,994	\$615,050	\$308
Davidson	PO	Heritage Medical Associates	2017	2,422	\$985,653	\$407
Rutherford	PO	Murfreesboro Medical Clinic-Garrison Drive	2017	4,826	\$2,936,011	\$608
Davidson	PO	Premier Radiology Briarville	2017	1,863	\$1,784,581	\$958
Davidson	PO	St. Thomas Medical Partners - Howell Allen Imaging Office	2017	256	\$81,639	\$319
Davidson	PO	Surgical Clinic, PLLC	2017	918	\$781,522	\$851
Davidson	PO	Tennessee Oncology, PET Services	2017	10,088	\$8,498,159	\$842
Davidson	PO	Tennessee Orthopaedic Alliance Imaging	2017	926	\$447,614	\$483
Davidson	PO	Urology Associates, PC (Davidson)	2017	2,318	\$1,279,586	\$552
		GROUP AVERAGE, ALL PROVIDERS REPORTING CT CHARGES		428,569	\$1,550,042,238	\$3,617
		Antioch ODC Projected Charge, CY2021				\$956

Medical Equipment Registry - 5/2/2018

**Table Economic Feasibility-5-C(3):Antioch Outpatient Diagnostic Center
Projected Charge Data for Most Frequently Performed Procedures**

MODALITY: MRI

CPT	Descriptor	Current Medicare Allowable	Average Gross Charge		
			Current	Year 1	Year 2
70553	MRI BRAIN W/ STEM W&WO CONT	\$ 353.52	\$ 1,590.84	\$ 1,590.84	\$ 1,590.84
70551	MRI BRAIN INCLUDING STEM	\$ 216.38	\$ 973.71	\$ 973.71	\$ 973.71
72148	MRI SPINE LUMBAR	\$ 210.54	\$ 947.43	\$ 947.43	\$ 947.43
73721	MRI JOINT LWR EXT W/O CONTRAST	\$ 221.75	\$ 997.88	\$ 997.88	\$ 997.88
72141	MRI SPINE CERVICAL	\$ 210.54	\$ 947.43	\$ 947.43	\$ 947.43
73221	MRI UPPER EXT. ONE JOINT	\$ 221.75	\$ 997.88	\$ 997.88	\$ 997.88
70544	MRA HEAD W/O CONTRAST	\$ 304.06	\$ 1,368.27	\$ 1,368.27	\$ 1,368.27
72158	MRI SPINE LUMBAR W&W/OUT CONT.	\$ 354.82	\$ 1,596.69	\$ 1,596.69	\$ 1,596.69
72146	MRI SPINE THORACIC	\$ 210.86	\$ 948.87	\$ 948.87	\$ 948.87
72156	MRI SPINE CERV. W&W/OUT CONT.	\$ 355.47	\$ 1,599.62	\$ 1,599.62	\$ 1,599.62

MODALITY: CT

CPT	Descriptor	Current Medicare Allowable	Average Gross Charge		
			Current	Year 1	Year 2
70450	CT SCAN BRAIN W/O CONTRAST	\$ 108.61	\$ 488.75	\$ 488.75	\$ 488.75
74177	CT ABD & PELV W/CONTRAST	\$ 291.08	\$ 1,309.86	\$ 1,309.86	\$ 1,309.86
74176	CT ABD & PELV W/O CONTRAST	\$ 188.95	\$ 850.28	\$ 850.28	\$ 850.28
72125	CT CERV SPINE WO CONTRAST	\$ 172.18	\$ 774.81	\$ 774.81	\$ 774.81
71275	CT ANG CHEST W/WO CONTRST	\$ 280.25	\$ 1,261.13	\$ 1,261.13	\$ 1,261.13
71260	CT THORAX W/CONTRAST	\$ 183.68	\$ 826.56	\$ 826.56	\$ 826.56
71250	CT THORAX WO CONTRAST	\$ 152.58	\$ 686.61	\$ 686.61	\$ 686.61
70486	CT MAXILLOFACIAL W/O CONTRAST	\$ 130.02	\$ 585.09	\$ 585.09	\$ 585.09
72131	CT LUMBAR SPINE W/O CONTRAST	\$ 167.72	\$ 754.74	\$ 754.74	\$ 754.74
70496	CT ANGIOGRPHY HEADW/O CONTRAST	\$ 273.51	\$ 1,230.80	\$ 1,230.80	\$ 1,230.80

6.A. Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved.

As indicated on the second page of the ODC Projected Data Chart, the project will have a positive cash flow in Year Two and thereafter.

Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project.

Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. NOTE: Publicly held entities only need to reference their SEC filings.

See Attachment Section B-Economic Feasibility-6A.

6.B. Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

ODC	2nd Yr Previous to Current Yr	1st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2	Projected Yr 3
Net Operating Margin Ratio	NA	NA	NA	.039	.120	.158

MRI ONLY	2nd Yr Previous to Current Yr	1st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2	Projected Yr 3
Net Operating Margin Ratio	NA	NA	NA	.039	.120	.158

6.C. Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business’s permanent (Long-term) financing mix. This ratio best measures a business’s true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt + Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity’s audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

MEDNAX 2017

Long-term debt: \$ 740,923,000
Net Assets: \$5,867,278,000
Total: \$6,608,201,000

Long-term debt / (Long-term Debt + Net Assets) = Capitalization Ratio

$(\$740,923,000 / \$6,608,201,000) \times 100 = 11.21$ Capitalization Ratio

7. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Applicant's Projected Payor Mix, Year 1		
Payor Source	Projected Gross Operating Revenue	As a Percent of Total Revenue
Medicare/Medicare Managed Care	\$1,231,125	21.1%
TennCare/Medicaid	\$606,144	10.4%
Commercial/Other Managed Care	\$3,794,600	65.2%
Self-Pay	\$77,783	1.3%
Charity Care	\$18,868	0.3%
Other	\$95,631	1.6%
Total	\$5,824,151	100%

The applicant will treat Medicare and TennCare patients (all area MCOs), as well as medically underinsured patients. Charity care will be budgeted.

8. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTE) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

See the staffing table on the following page.

Table Economic Feasibility-8: Antioch Outpatient Diagnostic Center					
Projected Staffing					
Position Classification	Existing FTEs	Projected FTEs (Yr 1)	Average Wage (Contractual Rate)	Statewide Mean Wage	
A. Direct Patient Care Positions					
CT Tech		1.00	\$82,929		\$57,720
MRI Tech		1.00	\$81,840		\$57,720
Ultrasound Tech		1.00	\$87,648		NA
X-Ray Tech		1.00	\$75,240		\$50,770
Total Direct Patient Care Positions		4.00			
B. Non-Patient Care Positions					
Site Manager		1.00	\$89,500		NA
Receptionist		1.00	\$40,491		NA
Insurance Verifier/Precent		3.00	\$40,904		NA
Total Non-Patient Care Positions		5.00			
Total Employees (A + B)		7.00			
C. Contractual Staff (temp techs)					
Total Staff (A+B+C)		0.50	\$40,000		
		7.50			

Source: Applicant's management.

9. Describe all alternatives to this project that were considered and discuss the advantages and disadvantages of each alternative, including but not limited to:

A. Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

HSDA Registry data and the State Health Plan support the need for additional MRI capacity in the primary service area. The placement of the next MRI in the Antioch area of southeastern Davidson County is the most effective way to meet these areawide needs because it is an area of large and growing population, with a lower income than many other sectors of the service area. It has limited access to MRIs in area facilities because they are very highly utilized on average.

B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

The applicant is leasing space in an existing building, thus avoiding new construction costs.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as transfer agreements or contractual agreements for health services.

The applicant intends to request emergency transfer agreements with area hospitals, including but not limited to TriStar Southern Hills Medical Center and TriStar StoneCrest Medical Center.

2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

2.A. Positive Effects

The State Health Plan evaluation criteria indicate that throughout the three-county service area, and also within the core zip codes of this project, additional MRI capacity is already needed. Existing MRI units are being utilized on average well above 100% of State Health Plan Guidelines, and growth in demand for MRI has been exceptionally strong in recent years.

Placement of the ODC within the Antioch zip code of 37013 will be that community's first such local resource, which will benefit consumers not only in terms of drive time accessibility but also in terms of financial accessibility to a relatively low-cost diagnostic imaging provider. This will be an area of more than 100,000 persons--a population larger than the majority of Tennessee counties--and it is growing rapidly. More than 15% of Davidson County's population will reside in this zip code within four years. It needs additional options for efficient, high-quality outpatient diagnostic procedures.

2.B. Negative Effects

The applicant projects providing 3,000 MRI scans in its third year of operation (CY2023). As shown in Table Need-5d in an earlier section of this application, by CY2023 there will be a conservatively projected three-county demand for 32,619 MRI procedures more than in CY2018. This applicant projects providing only 3,000 of those additional new procedures--leaving more than 29,000 new procedures to be shared by 60 existing providers. Based on rapid historical growth in areawide demand, the applicant does not believe that this ODC will negatively impact currently existing MRI providers as a group.

3.A. Discuss the availability of an accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies such as the Joint Commission and the Commission on Accreditation of Rehabilitation Facilities.

Only seven new FTEs need be recruited in Year One. These FTEs primarily consist of imaging techs and the applicant is confident that they can be recruited quickly. The applicant's medical staff, Radiology Alliance, provides imaging services at multiple area hospitals and is familiar with local health professional programs, with the clinical requirements of imaging departments, and with requirements of the licensing and accrediting agencies necessary to ensure high quality of care.

3.B. Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

The applicant so verifies.

3.C. Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

Training and rotations of students in healthcare occupations is not currently contemplated in this very small facility.

4. Identify the type of licensure and certification requirements applicable and verify that the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

The applicant will seek licensure, certification, and accreditation as follows:

Licensure: Board for Licensing Health Care Facilities, Tennessee Department of Health

Certification: CMS Medicare, Medicaid, TDH TennCare

Accreditation : American College of Radiology (MRI)

4.A. If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

Not applicable.

4.B. For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected, by providing a letter from the appropriate agency.

Not applicable. The applicant is a new entity without ownership in any other facility.

4.C. Document and explain inspections within the past three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23- ore 90-day termination proceedings from Medicare or Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.

(1) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

Not applicable.

5. Respond to all of the following and for such occurrences, identify, explain, and provide documentation:

A. Has any of the following:

(1) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);

(2) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or

(3) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%...

B. Been subjected to any of the following:

- (1) Final Order or Judgment in a State licensure action;**
- (2) Criminal fines in cases involving a Federal or State health care offense;**
- (3) Civil monetary penalties in cases involving a Federal or State health care offense;**
- (4) Administrative monetary penalties in cases involving a Federal or State health care offense;**
- (5) Agreement to pay civil or monetary penalties to the Federal government or any State in cases involving claims related to the provision of health care items and services; and/or**
- (6) Suspension or termination of participation in Medicare or Medicaid/TennCare programs;**
- (7) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware;**
- (8) Is presently subject to a corporate integrity agreement.**

None of the persons or entities in question 5A above have been subjected to any of the sanctions listed in question 5B above.

6. Outstanding Projects:

- a. Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and
- b. Provide a brief description of the current progress, and status of each applicable outstanding CON.

Outstanding Projects					
			Annual Progress Report*		
CON Number	Project Name	Date Approved	Due Date	Date Filed	Expiration Date
CN					
Status:					

* **Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.**

Not applicable. The applicant has no outstanding Certificates of Need.

7. Equipment Registry -- For the applicant and all entities in common ownership with the applicant.

a. Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography Scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?

American Radiology Holdings, Inc. has recently acquired Specialty MRI, an ODC in Nashville that formerly belonged to Radiology Alliance, P.C.

b. If yes, have you submitted their registration to HSDA? If you have, what was the date of the submission?

Yes.

c. If yes, have you submitted their utilization to HSDA? If you have, what was the date of the submission?

Facility	Date of HSDA Registration	Date of Last Utilization Submittal
Specialty MRI	original - 8/3/05 most recent - 3/13/18	3/14/18

QUALITY MEASURES

Please verify that the applicant will report annually using forms prescribed by the Agency, concerning continued need and appropriate quality measures as determined by the Agency pertaining to the Certificate of Need, if approved.

The applicant so verifies.

SECTION C: STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning>). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

1. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

The project exceeds all applicable standards and criteria in the State Health Plan, pertaining to MRI and to Outpatient Diagnostic Centers.

2. People in Tennessee should have access to health care and the conditions to achieve optimal health.

The ODC will be very accessible to the residents of its service area. It will be contracted to Medicare, to all area TennCare MCOs, and to most of the area's many commercial insurance plans.

3. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

The proposed ODC will extend needed resources into a populous and rapidly growing sector of the service area, which at present does not have an ODC option as accessible as the one that is proposed here. This project is an opportunity for the State Health Plan to be applied to encourage competition in these types of outpatient services.

4. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

This facility will be licensed by the State of Tennessee, certified for participation in both Medicare and Medicaid/TennCare and accredited for its MRI by the American College of Radiology.

5. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

The project will create a small number of additional health professional jobs, thus having a positive impact on the size and quality of the area's workforce.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

See Attachment "Proof of Publication".

NOTIFICATION REQUIREMENTS

(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)

Note that T.C.A. §68-11-1607(c)(3) states that "...Within ten (10) days of filing an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the member(s) of the House of Representatives and the Senator of the General Assembly representing the district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- 1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**
- 2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the “good cause” for such an extension.**

The applicant requests a three-year period of validity, for an opening on or before January 1, 2021. The project will require the demolition and removal of a very large bank vault from a previous tenant, and that will require an unusual amount of time to accomplish without hurting the remaining building structure. The applicant does not anticipate needing more than 30 months to implement the project; however, 36 months are requested to provide ample time for addressing unforeseen conditions of the building and site.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Initial HSDA Decision Date	0	8 / 2018
1. Architectural & engineering contract signed	90	11 / 2018
2. Construction documents approved by TDH	180	2 / 2019
3. Construction contract signed	240	4 / 2019
4. Building permit secured	300	6 / 2019
5. Site preparation completed	360	8 / 2019
6. Building construction commenced	390	9 / 2019
7. Construction 40% complete	510	1 / 2020
8. Construction 80% complete	630	5 / 2020
9. Construction 100% complete	750	8 / 2020
10. * Issuance of license	810	10 / 2020
11. *Initiation of service	825	10 / 2020
12. Final architectural certification of payment	885	12 / 2020
13. Final Project Report Form (HF0055)	915	01 / 2021

*** For projects that DO NOT involve construction or renovation: please complete items 11-12 only.**

<p>Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.</p>

06/16/18 10:50 AM

AFFIDAVIT

STATE OF TENNESSEE

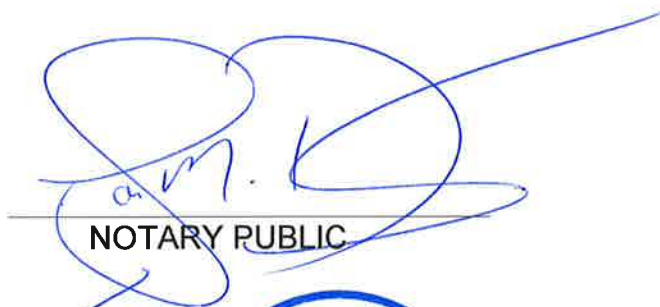
COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.


SIGNATURE/TITLE
CONSULTANT

Sworn to and subscribed before me this 15th day of May, 2018 a Notary
(Month) (Year)

Public in and for the County/State of DAVIDSON


NOTARY PUBLIC

My commission expires July 2, 2018.
(Month/Day) (Year)



INDEX OF ATTACHMENTS

Section A

A-4A	Legal Status and Ownership Structure of Applicant
A-6A	Site Control Documentation
A-6B(1)a-d	Plot Plan
A-6B(2)	Floor Plan
A-6B(3)	Bus Line Schedule
A-13B	Major Medical Equipment Quotes or Leases
A-13F	FDA Approval Letter

Section B

B-Need-3	Service Area Map
B-Need-State Health Plan-6E	Medical Director Qualifications
B-Economic Feasibility-1E	Documentation of Construction Cost Estimate
B-Economic Feasibility-2	Documentation of Funding/Financing Availability
B-Economic Feasibility-6A	Applicant's Financial Statements
B-Orderly Development -4B	TDH and ACR Surveys, Findings and Corrections

Other Attachments

Miscellaneous Information	Proof of Publication Emergency Response Procedures
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Support Letters	TriStar HCA Letter of Intent
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A-4A
Legal Status and Ownership Structure
of Applicant



Tre Hargett
Secretary of State

Division of Business Services
Department of State

State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Tennessee Imaging Services, LLC
1301 CONCORD TER
SUNRISE, FL 33323-2843

January 5, 2018

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	000939824	Formation Locale:	TENNESSEE
Filing Type:	Limited Liability Company - Domestic	Date Formed:	01/05/2018
Filing Date:	01/05/2018 12:29 PM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2019
Duration Term:	Perpetual	Image # :	B0469-2672
Managed By:	Member Managed		

Document Receipt

Receipt # : 003728191	Filing Fee:	\$300.00
Payment-Check/MO - CFS-1, NASHVILLE, TN		\$300.00

Registered Agent Address:
C T CORPORATION SYSTEM
STE 2021
800 S GAY ST
KNOXVILLE, TN 37929-9710

Principal Address:
1301 CONCORD TER
SUNRISE, FL 33323-2843


Congratulations on the successful filing of your **Articles of Organization** for **Tennessee Imaging Services, LLC** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.


Tre Hargett
Secretary of State

Processed By: Darlene Baskin

B0469-2672 01/05/2018 12:29 PM Received by Tennessee Secretary of State Tre Hargett

ARTICLES OF ORGANIZATION LIMITED LIABILITY COMPANY (ss-4270)		Page 1 of 2
	Business Services Division Tre Hargett, Secretary of State State of Tennessee 312 Rosa L. Parks AVE, 6th Fl. Nashville, TN 37243-1102 (615) 741-2286 Filing Fee: \$50.00 per member (minimum fee = \$300, maximum fee = \$3,000)	<i>For Office Use Only</i> <div style="font-size: 2em; font-weight: bold; margin: 20px 0;">FILED</div>
The Articles of Organization presented herein are adopted in accordance with the provisions of the Tennessee Revised Limited Liability Company Act.		
1. The name of the Limited Liability Company is: <u>Tennessee Imaging Services, LLC</u> (NOTE: Pursuant to the provisions of T.C.A. §48-249-106, each Limited Liability Company name must contain the words "Limited Liability Company" or the abbreviation "LLC" or "L.L.C.")		
2. Name Consent: (Written Consent for Use of Indistinguishable Name) <input type="checkbox"/> This entity name already exists in Tennessee and has received name consent from the existing entity.		
3. This company has the additional designation of: _____		
4. The name and complete address of the Limited Liability Company's initial registered agent and office located in the state of Tennessee is: Name: <u>C T Corporation System</u> Address: <u>800 S. Gay Street, Suite 2021</u> City: <u>Knoxville</u> State: <u>TN</u> Zip Code: <u>37929</u> County: <u>Knox</u>		
5. Fiscal Year Close Month: <u>December</u>		
6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is: (Not to exceed 90 days) Effective Date: _____ Time: _____ <small>Month Day Year</small>		
7. The Limited Liability Company will be: <input checked="" type="checkbox"/> Member Managed <input type="checkbox"/> Manager Managed <input type="checkbox"/> Director Managed		
8. Number of Members at the date of filing: <u>1</u>		
9. Period of Duration: <input checked="" type="checkbox"/> Perpetual <input type="checkbox"/> Other _____ <small>Month Day Year</small>		
10. The complete address of the Limited Liability Company's principal executive office is: Address: <u>1301 Concord Terrace</u> City: <u>Sunrise</u> State: <u>FL</u> Zip Code: <u>33323</u> County: <u>Broward</u>		



Tennessee Secretary of State

Tre Hargett

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Business Services Online > Find and Update a Business Record

We updated our CAPTCHA on Wednesday, December 21st, 2016. If you are experiencing problems with CAPTCHA, please try using a browser other than Internet Explorer, or call us for assistance at the number listed below.

Business Information Search

As of January 11, 2017 we have processed all corporate filings received in our office through January 10, 2017 and all annual reports received in our office through January 10, 2017.

Click on the underlined control number of the entity in the search results list to proceed to the detail page. From the detail page you can verify the entity displayed is correct (review addresses and business details) and select from the available entity actions - file an annual report, obtain a certificate of existence, file an amendment, etc.

Search:
1-1 of 1

Search Name: Starts With Contains

Control #:

Active Entities Only: ☐

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>000392938</u>	CORP	RADIOLOGY ALLIANCE, P.C. TENNESSEE	Entity	Active	07/25/2000	Active

1-1 of 1

Information about individual business entities can be queried, viewed and printed using this search tool for free.

If you want to get an electronic file of all business entities in the database, the full database can be downloaded for a fee by [Clicking Here](#).

[Click Here](#) for information on the Business Services Online Search logic.

Division of Business Services
312 Rosa L. Parks Avenue, Snodgrass
Tower, 6th Floor
Nashville, TN 37243
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8:00 a.m. until 4:30 p.m. (Central) Monday
- Friday.
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Business Filings and Information (615) 741-2286 | TNSOS.CORPINFO@tn.gov
Certified Copies and Certificate of Existence (615) 741-6488 | TNSOS.CERT@tn.gov
Motor Vehicle Temporary Liens (615) 741-0529 | TNSOS.MVTL@tn.gov
Notary Commissions (615) 741-3699 | TNSOS.ATS@tn.gov
Uniform Commercial Code (UCC) (615) 741-3276 | TNSOS.UCC@tn.gov
Workers' Compensation Exemption Registrations (615) 741-0526 | TNSOS.WCER@tn.gov
Apostilles & Authentications (615) 741-0536 | TNSOS.ATS@tn.gov
Summons (615) 741-1799 | TNSOS.ATS@tn.gov
Trademarks (615) 741-0531 | TNSOS.ATS@tn.gov
Nonresident Fiduciaries (615) 741-0536 | TNSOS.ATS@tn.gov

Board for Licensing Health Care Facilities



State of Tennessee

License No. ODG00000000025

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

to conduct and maintain

SPECIALTY MRI LLC

an *Outpatient Diagnostic Center*

SPECIALTY MRI

Located at

2018 MURPHY AVENUE, SUITE 101, NASHVILLE

County of

DAVIDSON

, Tennessee.

This license shall expire JULY 20, 2017, *and is subject*

to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State this 16TH day of JUNE, 2016.

In the Specialty(ies) of: MRI



By

James J. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By

James J. Davis, MPH

COMMISSIONER

A.6A

Site Control Documentation

LEASE

THIS LEASE is made and entered into as of July 15, 2016 (the "Date of this Lease"), by and between FREELAND REALTY 4, LLC, a Tennessee limited liability company ("Landlord"), and RADIOLOGY ALLIANCE, P.C., a Tennessee professional corporation ("Tenant").

WITNESSETH:

Landlord hereby leases to Tenant for the term and upon the conditions and agreements hereinafter set forth, Suite 101 consisting of approximately 5,473 rentable square feet of space as more particularly shown or described on Exhibit A attached hereto and incorporated herein (the "Premises"), together with the non-exclusive right in common with the other tenants and occupants of the hereinafter defined "Building" to use and occupy the hereinafter defined "Common Areas." For purposes of this Lease, "rentable square feet" includes Tenant's pro-rata share of the first floor Common Areas. The Premises are located in the approximately 40,895 rentable square foot Office/Medical Building (the "Building") located on the land in Davidson County, Tennessee described on Exhibit B attached hereto and incorporated herein (the "Land"), having an address of 5380 Hickory Hollow Parkway, Antioch, Tennessee 37013. As used herein the term "Common Areas" shall mean and include all entrances, lobbies, corridors, stairways, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, sidewalks, driveways, and landscaped areas, located in, on, adjacent to or under the Building or the Land. Notwithstanding anything to the contrary set forth herein, Landlord and Tenant acknowledge that the square footage of the Premises and the Building set forth above are approximations and that within thirty (30) days prior to the "Commencement Date" (as hereinafter defined), an architect or engineer satisfactory to Landlord and Tenant shall, at Landlord's sole cost and expense, measure and calculate the rentable square footage of the Premises and the Building in accordance with the Building Owners and Managers Association Standard for Measurement of Office Space (ANSI Standard Z65.1-2010) and in the event of any discrepancy between the measured rentable square footage of the Premises or the Building and the rentable square footage of the Premises or the Building set forth above, Landlord and Tenant shall amend this Lease to incorporate the corrected square footage, the corrected amount of "Base Rent" set forth in Section 2.1 hereof and the corrected Tenant's "Proportionate Share" (as defined in Section 2.3), regardless of whether such adjustment, if any, causes an increase or a decrease in the rentable area of the Building or the Premises, the amount of the Base Rent or in Tenant's Proportionate Share.

SECTION 1. TERM

1.1 Primary Term. The initial term of this Lease shall be for seven (7) years commencing on the earlier of (a) the date that is 180 days following the day on which the Premises are delivered to Tenant and (b) the date on which Tenant begins business operations in the Premises (the "Commencement Date"), and ending at 11:59 p.m. on the day immediately preceding the seventh (7th) anniversary of the Commencement Date (such term hereinafter called the "Primary Term"). Tenant, after providing evidence of insurance as required by Section 8.1(d), shall have the right to enter upon the Premises prior to the Commencement Date for the purpose of moving and installing its trade fixtures, equipment and furniture and construction of tenant improvements as contemplated by Section 6.1 herein. No rent shall accrue prior to the Commencement Date. Once the Commencement Date is determined, Landlord and Tenant shall memorialize the Commencement Date in a separate written agreement.

1.2 Renewal Terms. Tenant shall have the right and option to extend the term of this Lease for two (2) additional terms of five (5) years each (each such optional extended term is hereinafter called a "Renewal Term"). Each Renewal Term shall be on and subject to all of the same terms, covenants and conditions as herein contained; provided, however, "Base Rent" (as defined in Section 2.1 hereof) payable for a Renewal Term shall be in the amount set forth in the rent schedule set forth in Section 2.1(a) hereof.

Tenant shall exercise the renewal options, if at all, by giving Landlord written notice of such exercise not less than one hundred eighty (180) days prior to the expiration of the Primary Term or the preceding Renewal Term, if applicable.

1.3 **Definitions.** The phrases "**Term**", "**term of this Lease**", "**Lease term**", or any other similar phrases used in this Lease shall be deemed to include, unless otherwise provided, the Primary Term and each of the Renewal Terms, if exercised, and any other renewals or extensions of this Lease. "**Lease Year**" shall mean the period beginning on the Commencement Date and ending on the first anniversary of the last day of the calendar month in which the Commencement Date occurs (unless the Commencement Date is the first day of a calendar month, in which event such first Lease Year shall end on the day prior to the first anniversary of the Commencement Date) and each twelve month period thereafter during the Term of this Lease.

SECTION 2. RENT

2.1 **Base Rent.** (a) During the Primary Term, Tenant shall pay to Landlord as annual base rent for the Premises (the "**Base Rent**") the following:

Lease Year	Per Rentable Square Foot Annual Base Rent Rate	Annual Base Rent	Monthly Base Rent Installment
2017 1	\$ 18.00 per r.s.f.	\$ 98,514.00	\$ 8,209.50
2018 2	\$ 18.45 per r.s.f.	\$ 100,976.85	\$ 8,414.74
2019 3	\$ 18.91 per r.s.f.	\$ 103,501.27	\$ 8,625.11
2020 4	\$ 19.38 per r.s.f.	\$ 106,088.80	\$ 8,840.73
5	\$ 19.87 per r.s.f.	\$ 108,741.02	\$ 9,061.75
6	\$ 20.37 per r.s.f.	\$ 111,459.55	\$ 9,288.30
7	\$ 20.87 per r.s.f.	\$ 114,246.04	\$ 9,520.50
8	\$ 21.40 per r.s.f. [If 1 st Renewal Term is applicable]	\$ 117,102.19	\$ 9,758.52
9	\$ 21.93 per r.s.f. [If 1 st Renewal Term is applicable]	\$ 120,029.74	\$10,002.48
10	\$ 22.48 per r.s.f. [If 1 st Renewal Term is applicable]	\$ 123,030.49	\$ 10,252.54
11	\$ 23.04 per r.s.f. [If 1 st Renewal Term is applicable]	\$ 126,106.25	\$ 10,508.85
12	\$ 23.62 per r.s.f.	\$ 129,258.91	\$ 10,771.58

	[If 1 st Renewal Term is applicable]		
13	\$ 24.21 per r.s.f. [If 2 nd Renewal Term is applicable]	\$ 132,490.38	\$ 11,040.86
14	\$ 24.81 per r.s.f. [If 2 nd Renewal Term is applicable]	\$ 135,802.64	\$11,316.89
15	\$ 25.43 per r.s.f. [If 2 nd Renewal Term is applicable]	\$ 139,197.70	\$ 11,599.81
16	\$ 26.07 per r.s.f. [If 2 nd Renewal Term is applicable]	\$ 142,677.65	\$ 11,889.80
17	\$ 26.72 per r.s.f. [If 2 nd Renewal Term is applicable]	\$ 146,244.59	\$ 12,187.05

(b) Base Rent is payable in equal monthly installments (which shall be 1/12 of Base Rent), in advance beginning on the Commencement Date and thereafter on the first day of each calendar month during the term of this Lease. Base Rent shall be prorated for any partial calendar month at the beginning or the end of the Term. Such installments shall be paid, without demand or deduction, at Landlord's address set forth in Section 20, or at such other address as Landlord may designate. If any payment of Rent (hereinafter defined) is not paid within ten (10) days of being due, then a late payment fee equal to five percent (5%) of such late amount shall accrue and be immediately paid to Landlord.

(c) IRS Form W-9. Landlord shall provide to Tenant Landlord's IRS Form W-9 certifying as to Landlord's Taxpayer Identification Number (TIN) and notwithstanding anything to the contrary set forth herein, Tenant shall not be required to deliver to Landlord the first payment of Rent until the later of the date set forth above or the tenth business day after the date Landlord delivers to Tenant such Form W-9.

2.2 Reimbursement of Operating Expenses. (a) For each calendar year or part thereof during the Term, Tenant shall reimburse Landlord for Tenant's "Proportionate Share" of "Operating Expenses" (as such terms are defined in Section 2.3 below) for such calendar year.

(b) Tenant's Proportionate Share of Operating Expenses shall be paid in monthly installments beginning on the date of the first payment of Base Rent, and thereafter on the first day of each month, in such amounts as are estimated by Landlord, but after the first full calendar year of the Lease term said monthly installment shall not exceed 1/12 of Tenant's Proportionate Share of Operating Expenses for the preceding calendar year. Tenant's Proportionate Share of Operating Expenses shall be prorated for any partial month at the beginning or end of the Term.

(c) Within 120-days after the end of each calendar year during the term hereof, Landlord shall furnish Tenant with a statement (the "Annual Statement") which shall show (i) the Operating Expenses incurred during the preceding calendar year, (ii) Tenant's Proportionate Share thereof, (iii) the total

estimated payments made by Tenant during such calendar year and (iv) the balance due from Tenant or to be credited to Tenant, as applicable.

(d) If the actual amount of Tenant's Proportionate Share of Operating Expenses as shown on Landlord's Annual Statement (i) exceeds the amount previously paid by Tenant for such calendar year, Tenant shall pay Landlord the amount shown as due thereon, which payment shall be due within thirty (30) days of Tenant's receipt of the Annual Statement, or (ii) is less than the amount previously paid by Tenant, Tenant shall be credited the amount of such excess against the next succeeding monthly payment(s) of Base Rent and Tenant's estimated Proportionate Share of Operating Expenses for the then current calendar year (or, if such excess relates to the period during which the term of this Lease expires, such excess shall be refunded in cash to Tenant within thirty (30) days of Tenant's receipt of the Annual Statement).

(e) Within 180-days after such Annual Statement is received, Tenant may send a written notice to Landlord objecting to such Annual Statement and specifying the respects in which such statement is claimed to be incorrect. If the issues raised by such notice are not amicably settled between Landlord and Tenant within thirty (30) days after such written notice is sent, either party may refer the decision of the issues raised by such notice to a nationally recognized firm of certified public accountants selected by such party, and reasonably acceptable to the other, and the decision of such accountants shall be conclusively binding upon the parties. The fees and expenses involved in such decision shall be borne by the unsuccessful party (and if both parties are partially unsuccessful, the accountants shall apportion the fees and expenses between the parties based upon the degree of success of each party).

(f) Landlord shall keep and make available to Tenant for a period of 18-months after its Annual Statement is rendered as provided in this Section, records of its expenditures for Operating Expenses and reasonable details of the matters included in the Annual Statement for the period covered by such statement and shall permit Tenant and Tenant's accountants to examine and audit such of its records as may be reasonably required to verify such statements, at reasonable times during business hours.

(g) An appropriate proration of Tenant's Proportionate Share of Operating Expenses shall be made with respect to any partial year during which this Lease commences or expires. Tenant's obligations hereunder shall survive the expiration or earlier termination of this Lease.

(h) Landlord reserves the right to adopt a fiscal year for purposes of this Section, in which case the foregoing references to calendar year shall be modified to conform to Landlord's fiscal year.

2.3 Definitions. In addition to the terms defined elsewhere in this Lease, the following terms shall have the following meanings:

"Operating Expenses" shall mean and include (i) all real estate taxes and assessments with respect to the Land, the Building and the Common Areas paid by Landlord pursuant to Section 3 hereof, (ii) all condominium fees and assessments, if any, assessed, levied or charged with respect to the Premises and paid by Landlord pursuant to Section 3 hereof, (iii) premiums for all insurance maintained by Landlord pursuant to Section 8.1(b) hereof, (iv) the cost of all maintenance and repairs paid by Landlord pursuant to Section 5 hereof, (v) the cost of all services described in Section 11 hereof and all utilities (except any utilities separately metered to tenants), and (vi) all other expenses, costs and disbursements of every kind and nature which Landlord shall pay or become obligated to pay in respect to or in connection with the operation and maintenance of the Building and the Common Areas, and which are usually considered "operating expenses" in accordance with generally accepted accounting practices, consistently applied. Notwithstanding the foregoing, such expenses shall not include (A) the cost of alterations to space in the Building leased or to be leased to others; (B) depreciation, interest and principal payments of mortgages

and other debt costs, if any; (C) federal, state and city income, excess profit, gift, estate, succession, inheritance, franchise and transfer taxes, and any other taxes relating to the operation of Landlord's business but not the Building or Land; (D) expenses for capital improvements made to the Building or Common Areas except any capital improvement which results in savings of labor or other costs to the extent of the lesser of the cost of such capital improvement amortized over its useful life or the annual cost savings resulting from such capital improvement; (E) those expenses incurred in leasing space in the Building; (F) leasing commissions; (G) costs and expenses incurred in correcting defects in the construction of the Building and other improvements on the Land; (H) rent concessions and lease inducements provided to tenants of the Building; (I) the cost of repairing or restoring any portion of the Building damaged by fire or other casualty; (J) the cost of repairs, alterations or replacements required as the result of any taking or condemnation of the Land or Building for public or quasi-public use or purpose by any governmental or quasi-governmental authority, or as the result of any conveyance in lieu of being taken or condemned; (K) any cost or expenditure or any portion thereof for which Landlord has been reimbursed or is entitled to reimbursement, whether by insurance proceeds or otherwise, except reimbursements or other payments from other tenants of the Building in respect to costs and expenses which are Operating Expenses; (L) management fees in excess of three percent (3%) of Landlord's annual rental income from the Building; (M) any payments for services made to entities affiliated with or related to Landlord to the extent that such payments exceed fair market value for such services; (N) any costs or fees incurred in connection with the acquisition and development of the Land and Building, including but not limited to, any exactions or assessments by governmental authorities (i.e., impact fees); (O) employee costs and expenses of Landlord, except those incurred for the direct operation and maintenance of the Land, Common Areas and Building; (P) overhead and administrative costs of Landlord; and (Q) and any costs or expenses which are not usually considered building "operating expenses" in accordance with generally accepted accounting practices, consistently applied.

Notwithstanding the terms and conditions of this Section 2.3, except as described below, in no event shall Tenant be obligated to pay Tenant's Proportionate Share of Operating Expenses under Section 2.2 for any year to the extent the same exceed one hundred six percent (106%) of Controllable Operating Expenses for the prior year. **"Controllable Operating Expenses"** means all Operating Expenses which are within the reasonable control of Landlord; thus, excluding taxes, insurance, utilities, snow removal costs, costs incurred to comply with governmental requirements, and other costs beyond the reasonable control of Landlord.

Tenant's **"Proportionate Share"** shall mean a fraction, the numerator of which equals the Rentable Area of the Premises, and a denominator of which equals the Rentable Area of the Building. Based upon the estimated Rentable Area of the Building and the Premises set forth in the first full paragraph of this Lease, the parties estimate that Tenant's Proportionate Share will be Thirteen and forty percent (13.40%). The final determination of Tenant's Proportionate Share shall be determined upon the measurement of the Building and the Premises pursuant to the first full paragraph of this Lease.

"Rent" shall mean Base Rent, plus all sums due and payable by Tenant in respect to its Proportionate Share of Operating Expenses.

"Rentable Area" shall mean with respect to the Building or the Premises, the number of rentable square feet of space therein as measured and calculated in accordance with the Building Owners and Managers Association Standard for Measurement of Office Space (ANSI Standard Z65.1-2010).

2.4 **Taxes on Rent.** Tenant shall pay and be liable for all rental, sales and use taxes or other similar taxes, if any, levied or imposed on Rent payments by any city, county, state or other governmental body having authority, such payments to be in addition to all other payments required to be paid to Landlord

A-6B(1)a-d

Plot Plan

by Tenant under the terms of this Lease. Any such payment shall be paid to Landlord concurrently with the payment of the Rent upon which such tax is based.

SECTION 3. REAL ESTATE TAXES.

Landlord shall pay and discharge prior to their delinquency, at its sole cost and expense, all real estate taxes and assessments for public improvements, now or hereinafter assessed or levied against the Land and the Building during the term of this Lease, and all penalties and interest thereon.

SECTION 4. USE OF PREMISES

4.1 Use. The Premises may be used, occupied and sublet by Tenant only for medical, administrative, or office uses and any use incidental to or in connection with such use.

4.2 Compliance with Legal Requirements. In its use and occupancy of the Premises, Tenant shall comply with all applicable laws and other governmental rules, regulations and orders.

4.3 Hazardous Acts. Tenant shall not do or permit to occur within the Premises any act which will increase premiums for any casualty, fire, liability or other insurance maintained by Landlord on the Building or which shall render such insurance void or voidable, excepting however any activities which are usually and customarily anticipated in connection with the uses of the Premises permitted under Section 4.1 hereof.

4.4 Nuisance. Tenant shall not maintain or permit any nuisance to occur on the Premises, nor shall Tenant's use of the Premises interfere materially with the reasonable use of the Building, Land or the Common Areas by other tenants. Tenant covenants and agrees that Tenant will use, maintain and occupy the Premises in a careful, safe and proper manner and will not commit waste thereon.

4.5 Rules and Regulations. Landlord reserves the right to establish, and to modify from time to time, such rules and regulations as Landlord may deem necessary to govern the use of the Building, Land and Common Areas. Tenant agrees to abide by such rules and regulations. Landlord shall have no liability for failure to enforce such rules and regulations against other tenants.

4.6 Hours of Operation. Tenant shall be permitted (but Tenant shall not be obligated) to use the Premises for the operation of its business on a 24-hour, seven (7) day per week basis.

4.7 Parking. Landlord gives and grants to Tenant, and covenants that Tenant shall have, during the term of this Lease, the non-exclusive use of all paved parking areas, driveways, sidewalks and walkways located on the Land, except for those parking spaces, delivery areas, loading docks and other Common Areas that are designated by Landlord from time to time for the exclusive use of particular tenants. In the event Landlord designates certain parking areas to be used exclusively for tenants other than Tenant, Landlord covenants to Tenant that there shall always be a number parking spaces equal to or better than 5-spaces per 1,000 rentable square feet of space in the Building which shall be available for use by Tenant in the Common Areas. The parking areas shall be used, in common with all other tenants and their customers, for unobstructed pedestrian use and for the ingress, egress and parking of automobiles and other passenger vehicles. Tenant shall cause its employees to park in such areas as may be provided and designated by Landlord from time to time for employee parking, and in no event shall Tenant permit its employees to park in any portion of the parking lots that are designated by Landlord as being for customer use.

SECTION 5. MAINTENANCE AND REPAIRS

Landlord shall at its sole cost and expense maintain in good repair and condition all of the Building (except the interior of Premises) and the Common Areas, including without limiting the generality of the foregoing, all of the doors and the windows of the Building (except the doors and windows of the Premises), the roof, walls, floors, foundations and other components of the Building and all mechanical (heating, air conditioning, plumbing, electrical) elements and components of the Building located outside the Premises; and Landlord shall keep all of the foregoing clean and free of all refuse and rubbish, dust and dirt and otherwise in first class condition and appearance. Landlord shall make all repairs and replacements, whether foreseen or unforeseen, ordinary or extraordinary, and do such other things as may be required to maintain the Common Areas and the Building in the condition specified in the preceding two sentences, and all of the foregoing shall be performed in a good and workman-like manner. Tenant shall take good care of the interior of the Premises and subject to the provisions of Section 9, shall promptly repair, in a good and workmanlike manner, any damage to the Premises or other part of the Building caused by any breach of this covenant or by any willful or negligent act or omission of Tenant, or of any employee, agent of Tenant, or failing to do so, Tenant shall reimburse Landlord for the cost of all such repairs. Tenant will not permit undue accumulations of garbage, trash, rubbish or other refuse within the Premises, and will keep all refuse in proper containers on the interior of the Premises until disposal of such refuse.

SECTION 6. ACCEPTANCE OF THE PREMISES AND ALTERATIONS

6.1 Acceptance of Premises and Tenant Improvements. Tenant agrees that no representations, statements or warranties expressed or implied have been made by or on behalf of Landlord in respect to the Premises except as contained in this Lease. Tenant agrees that Landlord shall not be obligated to make any improvements or alterations to the Premises prior to the Commencement Date. Upon the Commencement Date, Tenant shall accept the Premises in its existing condition and state of repair. Notwithstanding anything in this Lease to the contrary, Landlord will contribute Forty Dollars (\$40.00) per rentable square foot in the Premises ("Tenant Improvement Allowance") towards the costs of alterations and improvements to the Premises, including cosmetic alterations, and the hard and soft costs incident thereto. The Tenant Improvement Allowance shall be paid by Landlord to Tenant not more frequently than monthly as the work progresses. It is a condition precedent to each disbursement of the Tenant Improvement Allowance that Tenant provide Landlord with an invoice for the desired draw, stating the dollar amount requested and the work for which payment is requested, together with evidence (such as an architect's certification if an architect has been engaged for the particular project, or a photograph) that the work has been performed and billed by Tenant's architects, engineers, contractors, or other service providers. Landlord shall also be permitted to conduct an independent inspection of Tenant's work to determine the appropriateness of a requested draw. Any Tenant Improvement Allowance for which no requisition has been submitted by Tenant within six (6) months after the Commencement Date shall be applied to the Base Rent next coming due until the Tenant Improvement Allowance is exhausted. Nothing in this subsection shall make any architect, engineer, contractor or other service provider a third party beneficiary of the Tenant Improvement Allowance, and Tenant shall remain solely responsible for making all payments to them in connection with any work done for Tenant.

6.2 Tenant's Alterations. Tenant may make Non-Material Alterations (as defined herein) to the Premises without the prior consent of Landlord. Tenant may not make Material Alterations to the Premises without the prior written consent of Landlord (which consent shall not be unreasonably withheld or delayed by Landlord). The term "Non-Material Alterations" shall mean any alterations or improvements to the Premises that meet each of the following criteria: (a) such alterations or improvements do not affect structural components of the Premises or the roof, (b) such alterations or improvements do not involve an alteration of floor plan of the Premises or the movement or removal of interior walls, and (c) such alteration or improvement on a project by project basis does not cost more than \$20,000. The term

"**Material Alterations**" shall mean any alteration or improvement that is not a Non-Material Alteration. All such alterations and improvements shall be performed in a good and workman-like manner and in compliance with all applicable rules and regulations. At its sole expense Tenant shall repair any damage to the Building or the Premises resulting from the removal from the Premises of any of Tenant's property or of any such alterations and improvements. In the case that Tenant removes any such alterations or improvements, it shall restore the Premises to substantially its condition prior to the time such alterations and improvements were made, unless Tenant makes further alterations or improvements in accordance with this Section 6.2. All alterations and improvements made by Tenant that remain in the Premises at the expiration of this Lease shall become the property of Landlord.

6.3 **Landlord's Alterations.** Landlord reserves the right to reconfigure, alter, modify or change the Common Areas from time to time so long as such alterations or modifications do not materially adversely affect Tenant access to or use of the Premises.

6.4 **Personal Property.** Tenant may, without Landlord's consent, install temporary partitions, shelves, bins, equipment, trade fixtures and other personal property in the Premises. These items shall remain Tenant's property and may be removed by Tenant prior to the expiration or earlier termination of this Lease. Tenant shall repair any damage to the Premises caused by such removal.

6.5 **Liens.** Tenant shall discharge, bond over, or otherwise satisfy any mechanics or materialmen's lien which has been filed against the Premises or the Building arising out of work done for, or materials furnished to Tenant, its contractors or subcontractors within thirty (30) days following the date Landlord gives Tenant notice that the lien has been filed, or if Tenant is contesting any such lien or the claims on which it is based, Tenant shall have provided Landlord assurances against loss or damage reasonably satisfactory to Landlord.

SECTION 7. INDEMNIFICATION

7.1 **Tenant's Indemnity.** Subject to the provisions of Section 9, Tenant shall indemnify and hold harmless Landlord against and from any and all claims, demands, actions, losses, damages, orders, judgments and any and all costs and expenses (including, without limitation, reasonable attorneys' fees and costs of litigation) incurred by Landlord as a result of or arising from Tenant's use of the Premises including Tenant's use of the Premises prior to the Commencement Date; provided that Tenant shall not be liable to indemnify Landlord with respect to any of the foregoing arising out of the gross negligence or willful misconduct of Landlord or any of its contractors, agents, employees, owners, officers, partners or other tenants or their invitees.

7.2 **Landlord's Indemnity.** Subject to the provisions of Section 9, Landlord shall indemnify and hold harmless Tenant against and from any and all claims, demands, actions, losses, damages, orders, judgments and any and all costs and expenses (including, without limitation, reasonable attorneys' fees and costs of litigation) incurred by Tenant as a result of or arising from any misrepresentation by Landlord set forth in this Lease or any willful or grossly negligent act or omission of Landlord, or of Landlord's contractors, agents, employees, owners, officers or partners.

SECTION 8. INSURANCE

8.1 **Insurance.** (a) Throughout the Term, Tenant, at its sole cost and expense, shall provide and keep in force (i) comprehensive general, public liability and property damage insurance in respect to this Lease and the Premises in the following amounts for any one accident or occurrence: property damage not less than \$300,000 and personal injury or death not less than \$2,000,000; and (ii) casualty insurance insuring Tenant against loss or damage to its equipment and other personal property in the Premises by fire and all other

casualties usually covered under an fire and extended coverage policy of casualty insurance. The liability policy described in clause (i) above shall name Landlord as an additional insured.

(b) Throughout the Term, Landlord, at its sole cost and expense, shall provide and keep in force broad form fire and extended coverage casualty insurance on the Building, the Common Areas and the Premises (including leasehold improvements, equipment and fixtures), insuring against loss by fire, windstorm, sprinkler leakage, flood, earthquake, water damage and all of the risks and perils usually covered by a so-called "all risk" of physical loss endorsement to a policy of fire insurance, including, but not limited to, vandalism, malicious mischief and boiler, pressure vessel and machinery coverage, in an amount equal to not less than 100% of the full replacement value, without co-insurance. Such insurance shall name Tenant as an additional insured.

(c) Every policy required by this Section 8 shall contain an agreement by the insurer that it will not cancel such policy except after not less than ten days' prior written notice to Landlord and Tenant and that any loss otherwise payable thereunder shall be payable notwithstanding any act or negligence of Landlord or Tenant which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment.

(d) Prior to the Commencement Date, Landlord and Tenant shall each deliver to the other certificates of the insurance required to be maintained hereunder. Landlord and Tenant also shall deliver to each other not more than thirty (30) days after the expiration date of such policy or policies (or of any renewal policy or policies), certificates for renewal policies of such insurance.

(e) In lieu of carrying any policy of insurance required to be carried by Tenant under this Lease, Tenant shall either alone or in conjunction with Tenant's ultimate parent corporation, or any subsidiaries or affiliates of Tenant or of Tenant's ultimate parent corporation, to maintain self-insurance and/or provide or maintain any insurance required by this Lease under blanket insurance policies maintained by Tenant, Tenant's ultimate parent corporation or such subsidiaries or affiliates, or provide or maintain insurance through such alternative risk management programs as Tenant, Tenant's ultimate parent corporation or such subsidiaries or affiliates may provide or participate in from time to time.

SECTION 9. FIRE AND OTHER CASUALTY

9.1 Fire and Other Casualty. If the Building or the Premises shall be damaged by fire or other casualty and (i) the Premises are thereby rendered wholly unsuitable for its intended use, or (ii) the cost of repair or restoration as estimated by a contractor, architect or other construction consultant selected by Landlord and Tenant, exceeds 50% of the full replacement cost of the Building and/or the Premises (whichever is applicable); then in such event Landlord may terminate this Lease. In addition, if the contractor, engineer or other construction consultant estimates that the required repair or restoration work cannot be completed within 180 days of the occurrence of such damage, then either Landlord or Tenant may terminate this Lease. If either party is entitled to terminate this Lease and desires to do so, it shall give the other party written notice of termination within thirty (30) days of the occurrence of such damage, and upon the giving of such notice, this Lease shall terminate as of the date of the casualty, and any prepaid Rent shall be refunded to Tenant. If the Premises shall be damaged by any casualty as described in the first sentence of this Section 9.1, but are rendered only partially untenable, Landlord shall promptly repair the same at its expenses, and the Rent shall proportionately abate during the period of such partial untenability.

9.2 Waiver of Subrogation. Landlord and Tenant on behalf of themselves and all others claiming under them, including any insurer, waive all claims and rights of recovery against each other, including all rights of subrogation, for loss or damage to their respective property (including, but not limited to, the Building and the Premises) arising from fire, smoke damage, windstorm, hail, vandalism, theft, malicious mischief and any of the other perils insured against under the terms of any insurance policy carried by Landlord or Tenant

or which is otherwise normally insured against in an "all risk" of physical loss insurance policy, regardless of whether insurance against those perils is in effect with respect to such party's property and regardless of the negligence of either party.

SECTION 10. EMINENT DOMAIN

If the Building, the Common Areas, the Premises or a material part of any of them shall be taken by any authorized entity by eminent domain or by negotiated purchase under threat thereof, and as a consequence thereof the Premises shall become totally untenable or the use of the Common Areas or access to the Building is impaired, then this Lease shall terminate as of the earlier of the date when title or possession thereof is acquired or taken by the condemning authority and all rights of Tenant in this Lease shall immediately cease and terminate. If a part of the Building or the Common Areas or a portion of the Premises shall be so taken or purchased so that the Premises become only partially untenable or the suitability and use of or access to the Premises or the Common Areas are slightly impaired, Rent shall be equitably and proportionately abated. All compensation awarded for any taking (or the proceeds of negotiated sale under threat thereof) whether for the whole or a part of the Building or the Premises, shall be the property of Landlord, whether such proceeds or award are compensation for loss or damage to Landlord's or Tenant's property or their respective interests in the Premises, except that the portion of such compensation which is allocable to leasehold or other tenant improvements made at Tenant's cost and expense, or awards made directly to Tenant for relocation or similar expenses, shall be the property of Tenant. If less than all of the Premises, Building or the Common Areas shall be taken as aforesaid and this Lease does not terminate, Landlord, at its sole cost and expense, shall promptly restore the Premises, Building or the Common Areas, as the case may be, to such condition which is nearly as possible the same as prior to such taking.

SECTION 11. LANDLORD'S SERVICES

11.1. Landlord's Services. Landlord will provide all of the following utilities and services at Landlord's sole cost and expense but subject to reimbursement as an Operating Expense:

(a) If the Building is equipped with an elevator(s), service shall be provided subject to reasonable Building rules and regulations.

(b) Telephone connections, but not including telephone stations and equipment (it being expressly understood and agreed that Tenant shall be responsible for ordering and installation of telephone lines and equipment which pertain to the Premises) except that Landlord shall not be liable for any interruption in service that are not caused by Landlord's negligence or willful misconduct;

(c) Electricity and hot and cold water for the Premises twenty-four (24) hours per day, seven (7) days per week except that Landlord shall not be liable for any interruption in services that is not caused by Landlord's negligence or willful misconduct. In the event Tenant elects to have any portion of the Premises separately metered for electricity, Tenant shall pay the cost of such separately metered electricity directly to the utility provider. In the event Tenant elects to have any portion of the Premises sub-metered for electrical service, Tenant shall pay the cost of such sub-metered electricity to Landlord within 20-days following Tenant's receipt of an invoice for such electrical services from Landlord (which shall be equal to Landlord's actual costs of providing such electrical services;

(d) Heat and air-conditioning for the Premises alternately at such times of the year and during normal business hours as required for the comfort of Tenant, its subtenants and their respective officers, partners, employees and invitees except that Landlord shall not be liable for any interruption in service that is not caused by Landlord's negligence or willful misconduct. The term "normal business hours" shall mean 6:00 a.m. to 8:00 p.m., Sunday through Saturday;

(e) Hot and cold water and lighting for all corridors, lobbies, rest rooms and other public parts of the Building except that Landlord shall not be liable for any interruption in services;

(f) Except as otherwise provided in Section 11.2(b), janitorial and cleaning services and trash and refuse removal and the Common Areas, five days per week, excluding holidays;

(g) Exterior window washing, as necessary to keep and maintain the Building in a clean and attractive condition;

(h) Ice and snow removal from sidewalks, parking areas and driveways;

(i) Landscaping and grounds keeping services;

(j) Replacement of Building standard light bulbs in the Common Area and exterior of the Building;

(k) Five (5) parking spaces in the Common Areas for each 1,000 rentable square feet of space in the Premises; and

(l) Normal maintenance and servicing of lavatory facilities, toilets, sinks and faucets located within the Common Areas of the Building.

All such services shall be provided in a manner that is consistent with those services provided in comparable medical office buildings of similar size and age which are located within the local community.

11.2 Telephone Service; Janitorial.

(a) Tenant shall pay and be responsible for all costs of telephone installations and service.

(b) Tenant shall provide general janitorial and cleaning services for the Premises and shall be responsible for the costs of such services.

(c) With Landlord's prior written consent, Tenant may install heat and air-conditioning equipment it deems necessary for maintaining its imaging equipment in the Premises as required by the equipment manufacturers. Prior to any such installation, Tenant shall submit its plans to Landlord in writing, and Landlord shall not unreasonably withhold consent, provided the new equipment does not interfere with existing mechanical systems and is consistent with existing aesthetics.

SECTION 12. INTENTIONALLY OMITTED

SECTION 13. DEFAULTS AND REMEDIES

13.1 Tenant's Default. (a) The following acts and occurrences shall constitute an event of default by Tenant under this Lease: (i) Tenant defaults in payment of any installment of Rent or other sum payable by Tenant hereunder and fails to cure such default within ten (10) days after written notice thereof; (ii) Tenant fails to observe or perform any other provision of this Lease on Tenant's part to be performed and such failure continues for thirty (30) days after written notice to Tenant of such failure unless such failure by its nature cannot be completely cured within such thirty (30) day period, in which event Tenant shall not be in default unless Tenant fails to commence to cure such failure within such thirty (30) day period and diligently prosecute such cure to completion; (iii) if Tenant shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state bankruptcy law or any similar

federal or state law, or shall be adjudicated a bankrupt or shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due, or if a petition or answer proposing the adjudication of Tenant as a bankrupt or its reorganization pursuant to any federal or state bankruptcy law or any similar federal or state law shall be filed in any court and Tenant shall consent to or acquiesce in the filing thereof or such petition or answer shall not be discharged or denied within 60 days after the occurrence of any of the foregoing; or (iv) if a receiver, trustee or liquidator of Tenant or of all or substantially all of the assets of Tenant or of the Premises or Tenant's leasehold interest therein shall be appointed in any proceeding brought by Tenant, or if any such receiver, trustee or liquidator shall be appointed in any proceeding brought against Tenant and shall not be discharged within 60 days after such appointment, or if Tenant shall consent to or acquiesce in such appointment.

(b) Upon the occurrence of any event of default, Landlord may at any time thereafter, either with or without notice or demand, and without limiting Landlord in the exercise of any rights or remedies that Landlord may have by reason of such default of breach, take any of the following actions:

(i) Landlord may terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default hereunder, including but not limited to all unpaid Rent and other amounts due and owing hereunder, the cost of recovering possession of the Premises, expenses of re-letting (including necessary repairs and alteration of the Premises, reasonable attorneys' fees and any real estate commissions actually paid), the worth at the time of the award by the court having jurisdiction thereof of the amount by which the unpaid Rent for the balance of the term of this Lease after the time of the award exceeds the amount of such Rent lost for the same period that Tenant proves could be reasonably avoided, and that portion of any leasing commission paid by Landlord applicable to the unexpired term of this Lease.

(ii) Landlord may, without terminating this Lease, re-enter the Premises and re-let all or any part of the Premises for a term different from that which otherwise would have constituted the balance of the term of this Lease and for Rent and on terms and conditions different from those contained herein, whereupon Tenant shall be obligated to pay to Landlord as liquidated damages the difference between the Rent provided for herein and that provided for in any lease covering a subsequent re-letting of the Premises, for the period that otherwise would have constituted the balance of the term of this Lease, together with all unpaid amounts due and owing hereunder, all of Landlord's reasonable costs and expenses for preparing the Premises for re-letting, including all repairs, brokers' and reasonable attorneys' fees, and all loss or damage that Landlord may sustain by reason of such re-entry and re-letting.

(iii) Landlord may elect, but shall not be obligated, to comply with any condition, agreement, or term required hereby to be performed by Tenant, and Landlord shall have the right to enter the Premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for such correction by Landlord shall not be deemed to waive or release the default of Tenant or the right of Landlord to take any action as may be otherwise permissible hereunder in the case of any default.

(iv) Landlord may pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of Tennessee.

Notwithstanding anything to the contrary set forth in the Lease: (i) Landlord may not re-enter or re-possess the Premises or lock Tenant out of the Premises unless Landlord has given Tenant not less than ten (10) days prior written notice thereof; and (ii) Landlord may not terminate the Lease as a result of an Event of Default unless Landlord has given Tenant not less than thirty (30) days prior written notice of termination.

13.2 Cure of Defaults. If Tenant shall fail to make any payment or perform any act required to be made or performed under this Lease, Landlord, without waiving or releasing any obligation or default, may (but shall be under no obligation to), at any time, make the payment or perform the act for the account of and at the expense of Tenant, and may enter upon the Premises for that purpose and take all actions as may be necessary to correct Tenant's breach. No such entry shall be deemed an eviction of Tenant. All sums so paid by Landlord and all costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) so incurred, together with interest thereon at the "Interest Rate" (as defined in Section 24.2) from the date of payment, shall constitute additional rent and shall be paid by Tenant to Landlord on demand.

13.3 Landlord's Default. In the event Landlord is in default under the terms of this Lease, then in any such event, Tenant may provide written notice of such default to Landlord pursuant to this Section 13.3. Upon the expiration of thirty (30) days following the giving of such notice, if Landlord (i) has failed to cure such default or (ii) in the case of a default (other than the payment of money) which by its nature cannot be completely cured within such thirty (30) day period, Landlord does not within such period commence to cure the default, and diligently pursue and complete the cure in a reasonable period of time, then in either such event Landlord shall be in breach of this Lease and Tenant shall have any such remedies as are provided by law. In addition, if Landlord shall fail to cure such breach, Tenant, without waiving or releasing any obligation or default, may (but shall be under no obligation to) at any time, make the payment or perform the act for the account of and at the expense of Landlord. The sum of all costs and expenses (including but not limited to, reasonable attorneys' fees and expenses) so incurred by Tenant shall be paid by Landlord to Tenant upon demand. Landlord's failure to make such payment within ten (10) days of Tenant's demand therefor, shall entitle Tenant to offset such amount against any future payments of rent hereunder.

SECTION 14. ASSIGNMENT AND SUBLETTING

Tenant shall have the right to sublet all or any portion of the Premises without the prior written consent of Landlord; provided that each such sublease shall be subject and subordinate to this Lease and Tenant shall remain liable for the performance of all of its covenants and agreements under this Lease. Tenant shall not assign this Lease in whole or in part without the consent of Landlord, which consent shall not be unreasonably withheld; provided that, without the consent of Landlord, Tenant may assign this Lease to (i) any person, firm, corporation or other entity who is the purchaser of all or substantially all of the outstanding shares of capital stock of Tenant, the purchaser of substantially all of the assets and business of Tenant or successor to substantially all of the business and assets of Tenant by corporate merger or consolidation with or into Tenant (collectively, the "Tenant Successor"), (ii) any subsidiary or other entity owned at least 51%, directly or indirectly, by Tenant, or any Tenant Successor, (iii) any person, firm, corporation or other entity who is the purchaser of all or substantially all of the assets of Tenant or is the successor to substantially all the assets and business of Tenant by virtue of a corporate merger or consolidation of, with or into Tenant, (iv) any general partner of Tenant, or (v) a joint venture entity or partnership comprised of Tenant and Tristar Health System, Inc., a Tennessee corporation, doing business as "TriStar Southern Hills Medical Center". No such assignment without the consent of Landlord, shall be effective unless each such assignee by written instrument or operation of law assumes and becomes bound to perform and observe all of the covenants and agreements of Tenant under this Lease arising from and after the date of such assignment, provided that Tenant shall not be released of liability for the payment of rent and for the performance and observance of the other covenants and agreements of Tenant under the Lease after the effective time of such assignment.

SECTION 15. SUBORDINATION TO MORTGAGES

This Lease shall be senior to and shall at all times have priority over all liens and encumbrances, now existing or hereafter affecting the Building or the Land. In the event the Building or the Land are or

shall hereafter be subject to the lien of a mortgage or deed of trust (the "Mortgage"), and the holder of such mortgage requires that this Lease be subordinated to the lien of such Mortgage, Tenant agrees to subordinate its interest under this Lease to such Mortgage; provided that the holder of such mortgage shall execute and deliver to Tenant a nondisturbance and attornment agreement in substantially the form attached hereto as Exhibit C. Landlord shall deliver to Tenant a subordination, nondisturbance and attornment agreement in accordance with the terms of the preceding sentence and in substantially the form attached hereto as Exhibit C, with respect to each Mortgage which now constitutes a lien against the Land and/or Building. Except for that certain deed of trust granted to InSouth Bank (the "Current Lender"), the Land and any improvements thereon are not subject to any deed of trust or mortgage granted to any lender.

SECTION 16. ENTRY

At all reasonable times, Landlord may enter the Premises to show it to prospective purchasers, mortgagees and tenants and for the purpose of inspection, or making any repairs or performing any maintenance which Landlord is required or permitted to make hereunder; provided that Landlord shall provide Tenant reasonable prior written notice except in the event of an emergency. Tenant hereby agrees to permit the Landlord or its agents to enter the Premises during the last six (6) months of the Term for the purposes of exhibiting same to prospective tenants provided that such access right shall be exercised in a manner that protects the privacy rights of Tenant's patients.

SECTION 17. END OF TERM

17.1 Surrender of Premises. At the expiration of the term of this Lease, Tenant shall surrender the Premises to Landlord in as good order, condition and repair as at the Commencement Date, reasonable wear and tear and damage by fire and extended coverage perils and other causes beyond the reasonable control of Tenant, excepted. Tenant shall have the right prior to said termination to remove any equipment, furniture, trade fixtures or other personal property placed in the Premises by Tenant, provided that Tenant promptly repairs any damage to the Premises caused by such removal prior to the expiration date of the Term.

17.2 Holding Over. Any holding over beyond the expiration of the term of this Lease shall operate as an extension of this Lease from month to month on the same terms and conditions as provided in this Lease except that the monthly Base Rent payment shall be 150% of the monthly Base Rent installment due and payable hereunder for the last full month of the Term; provided, however, the Base Rent payable for any holdover period shall not exceed the amount permitted under the "Anti-Kickback Law" and the "Stark Law" (as defined in Section 24.14 hereof). Such extended term may be terminated either by Landlord or Tenant by giving 30 days written notice to the other.

SECTION 18. TENANT'S CERTIFICATE

At any time and from time to time, Tenant, on or before the date specified in a written request therefor, made by Landlord, which date shall not be earlier than 30 days from the making of such request, shall execute, acknowledge and deliver to Landlord a certificate evidencing whether or not: (a) this Lease is in full force and effect; (b) this Lease has been amended in any way; (c) there are any existing defaults hereunder to the knowledge of Tenant and specifying the nature of such defaults if any; (d) the amount of Base Rent and the date to which Base Rent has been paid; and (e) improvements to the Premises or allowances for such improvements required of Landlord have been made or paid and accepted by Tenant.

Each certificate delivered pursuant to this Section may be relied on by any prospective purchaser or transferee or the holder or prospective holder of any mortgage or deed of trust on the Premises or on Landlord's interest hereunder. Landlord shall reimburse Tenant for all reasonable attorneys' fees and costs incurred by Tenant in connection with the review, negotiation and execution of any such certificates.

SECTION 19. QUIET ENJOYMENT AND REPRESENTATIONS

19.1. Quiet Enjoyment. So long as Tenant pays the Rent and additional rent and performs Tenant's covenants, Tenant shall peacefully and quietly hold the Premises throughout the Term free from any hindrance or molestation by Landlord or any other person or entity whatsoever.

19.2. Landlord Representations. Landlord hereby represents and warrants to Tenant, as of the Date of this Lease and as of the Commencement Date, as follows:

- (a) There will be no leases affecting all or any part of the Premises when the Premises is delivered to Tenant.
- (b) There are no pending, nor to the knowledge of Landlord, any threatened actions, suits or proceedings against or affecting Landlord, the Land, the Building or the Premises or any portion thereof, or relating to or arising out of the ownership, leasing, operation, management, use or maintenance of the Land, the Building or the Premises.
- (c) There are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or under any other debtor relief laws pending or, to the knowledge of Landlord, contemplated or threatened against Landlord, the Land, the Building or the Premises.
- (d) To the best of Landlord's knowledge, there are no condemnation proceedings affecting the Land, the Building or the Premises or which are currently threatened or pending.
- (e) To the best of Landlord's knowledge, the existing water, sewer, gas and electricity lines, storm sewers and other utility systems on or in the Premises are adequate to serve the utility needs of the Premises and all of such utilities are installed and operating.
- (f) To the best of Landlord's knowledge, the Building, the Premises and all other improvements located on the Land comply with and do not violate any existing fire, health, building, life safety, handicapped persons, environmental, zoning, subdivision or other laws, ordinances, codes, orders, regulations or requirements affecting all or any portion of the Premises and no notice of any such violation has been issued by any governmental or public authority having jurisdiction.
- (g) To the best of Landlord's knowledge, there has not been and there is not now any actual or threatened settlement, earth movement, roof leakage, leakage or seepage in any basement, foundation or walls, termite infestation or damage affecting the Building or the Premises and, to the best of Landlord's knowledge, the mechanical, structural, electrical, plumbing, sewer, heating, air conditioning and sprinkler systems and components servicing the Premises are in good operating condition and repair, reasonable wear and tear excepted, and free of material defects.
- (h) To the best of Landlord's knowledge the Premises are free of mold, mildew, fungi and other harmful bacteria.
- (i) Landlord is the sole owner of the Land and the Building and has good, record and marketable, indefeasible, fee simple title to the Land and the Building, free and clear of all defects, security interests,

liens, encumbrances, easements, covenants, restrictions, reservations or any other matters whatsoever, except for the following: (i) security interests in favor of Landlord's lender(s); (ii) utility and drainage easements of record which will not materially impair the use of the Premises for the purposes permitted in Section 4 hereof; (iii) zoning and building laws, ordinances, resolutions and regulations; and (iv) ad valorem real estate taxes not yet due and payable.

SECTION 20. NOTICES

Any notice required or permitted to be given to a party under the provisions of this Lease shall be in writing and shall be deemed given if delivered in person or sent by Federal Express or by other nationally-recognized overnight air courier, or mailed by certified or registered United States mail, postage prepaid, return receipt requested, addressed as follows:

If to Landlord, to it at

FREELAND REALTY 4, LLC
5333 Hickory Hollow Parkway
Antioch, TN 37013
Attention: Ben Freeland

with a copy to:

Fredric J. Robbins
Robbins, Kelly, Patterson & Tucker
7 West 7th Street, Suite 1400
Cincinnati, Ohio 45202

If to Tenant, to it at

Radiology Alliance, P.C.
210 25th Avenue North, Suite 600
Nashville, TN 37203
Attention: CEO

with a copy to:

Nelson Mullins Riley & Scarborough LLP
150 Fourth Avenue North, Suite 1100
Nashville, TN 37219
Attention: Brendi E. Kaplan

or to such other address as either party may designate by notice to the other party hereto. A notice or other communication shall be deemed to be duly delivered and received if sent by hand or express service, when left at the address of the recipient, and if sent by certified or registered United States mail, on the fifth day after deposited in the United States mail, postage prepaid; provided that if a notice or other communication is served by hand or express service on a day that is not a business day, or after 5:00 p.m. on any business day at the addressee's location, such notice or communication shall be deemed to be duly delivered to and received by the recipient at 9:00 a.m. on the first business day thereafter.

SECTION 21. ENVIRONMENTAL MATTERS

21.1 Medical and Hazardous Waste. (a) Landlord represents and warrants to Tenant that except for "Hazardous Substances" (as hereafter defined) and other toxic materials or medical waste brought, kept or used in the Building by tenants of the Building in commercial quantities similar to those quantities usually kept on similar premises, as of the date hereof (i) no Hazardous Substances or any other toxic material or medical waste are present on or in the Building or any of the other improvements constructed on the Land, and (ii) no

Hazardous Substances or any other toxic material or hazardous waste are present on, in or under the Land. Landlord shall indemnify, defend and hold Tenant harmless from and against any and all claims, demands, liabilities, losses and expenses, including consultant fees, court costs and reasonable attorneys' fees, arising out of the presence prior to the Commencement Date of any Hazardous Substances or any other toxic material or medical waste on, in or under the Land, the Building or any of the other improvements constructed on the Land. Notwithstanding anything to the contrary set forth herein, the terms of this Section 21.1(a) shall survive the expiration or earlier termination of this Lease.

(b) Tenant, at Tenant's sole cost and expense, shall be responsible for medical, special and infectious waste removal for the Premises and the maintenance and storage thereof pending removal, all in accordance with all applicable laws, regulations and orders. Tenant shall comply with all federal, state and local laws, regulations and ordinances which govern the use, storage, handling and disposal of Hazardous Substances, wastes or materials and medical, special or infectious wastes. Tenant will be responsible for any clean-up of any and all dangerous substances, contaminated soils or other materials used, stored, handled and disposed of by Tenant on the Premises and Tenant hereby indemnifies Landlord against any claims, fines, losses or costs incurred by Landlord as a result of Tenant's action or inaction in this regard. Tenant shall indemnify, defend and hold Landlord harmless from and against any claims or liability arising out of or connected with Tenant's use, storage or transportation of Hazardous Substances including but not limited to failure to comply with the terms of this Section 21.1(b), which terms shall survive the expiration or earlier termination of this Lease.

(c) "**Hazardous Substances**" as such term is used in this Lease means any hazardous or toxic substance, material or waste, regulated or listed pursuant to any federal, state or local environmental law, including without limitation, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act and the Occupational Safety and Health Act.

SECTION 22. COMMISSIONS

Landlord shall pay and hold Tenant harmless from all claims and liabilities for any and all commissions and fees in connection with this Lease. Tenant represents that it has neither engaged nor employed any broker in connection with this Lease.

SECTION 23. EXCUSABLE DELAY

Neither Landlord nor Tenant shall be considered in default in any of its obligations to be performed (except for any payment obligation set forth under this Lease) hereunder if delay in the performance of such obligation is due to unforeseeable causes beyond its control and without its fault or negligence, including but not limited to acts of God or of a public enemy, acts of the Federal government or of the government of any subdivision of the State in which the Premises is located, acts or delays of the other party, fires, or other casualty occurring at the Premises, weather, freight embargoes, unavailability of materials, strikes or delays of contractors, subcontractors or materialmen; it being the purpose and intent of this Section that in the event of the occurrence of any such enforced delay, the time or times for performance of such obligations shall be extended for the period of the enforced delay.

SECTION 24. MISCELLANEOUS PROVISIONS

24.1 Memorandum of Lease. Upon the written request of either party hereto, the parties shall execute a memorandum of this Lease and other agreements herein contained in form eligible for recording in

the Official Records of the County in which the Premises are located and setting forth all the terms and provisions of this Lease required by law to be included in a memorandum of lease.

24.2 Interest. Whenever this Lease requires or permits the payment of interest, such interest shall be determined as the lesser of the following (the "**Interest Rate**"): (a) the prime rate of interest as announced from time to time by *The Wall Street Journal*, plus two percent (2%) per annum, with such rate changing with each change in the prime lending rate published by the *Wall Street Journal*, or (b) the highest rate permitted by applicable law.

24.3 Execution. The presentation of this Lease for review by Landlord does not constitute an offer on the part of Tenant to enter into the lease transaction described herein and this Lease will become effective and legally binding only when it has been signed by a duly authorized officer or representative of each of the parties and delivered to the other party.

24.4 Entire Agreement. This Lease and the Exhibits attached hereto contain all the agreements of the parties with respect to the subject matter herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. There have been no representations made by either party or understandings made between the parties with respect to the subject matter hereof other than those set forth in this Lease and the Exhibits attached hereto. This Lease may not be modified except by a written instrument duly executed by the parties hereto.

24.5 Waiver. Failure by either party to enforce any of the provisions hereof for any length of time shall not be deemed a waiver of its rights set forth in this Lease. Such a waiver may be made only by an instrument in writing signed by the party sought to be charged with the waiver.

24.6 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

24.7 Binding Agreement. This Lease shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assigns of Landlord and Tenant. In the event of the transfer and conveyance of the Land by Landlord to a person or entity expressly assuming Landlord's obligations under this Lease, Landlord shall thereby be released from any further obligations which arise after the effective date of such transfer, and Tenant agrees to look solely to such successor-in-interest of Landlord for performance of such obligations.

24.8 Business Day. Should any due date hereunder fall on a Saturday, Sunday or legal holiday, then such due date shall be deemed timely if given on the first business day following such Saturday, Sunday or legal holiday.

24.9 Waiver of Jury Trial. Each party hereto hereby irrevocably waives any and all rights it may have to demand that any action, proceeding or counterclaim arising out of or in any way related to his lease or the relationship of the parties be tried by jury. This waiver extends to any and all rights to demand a trial by jury arising from any source, including but not limited to the Constitution of the United States, the Constitution of any state, common law or any applicable statute or regulation. Each party hereby acknowledges that it is knowingly and voluntarily waiving the right to demand trial by jury.

24.10 Governing Law. This Lease shall be governed by the laws of the State in which the Premises is located without regard to its conflict of laws rules.

24.11 Gender. Feminine, neuter and masculine pronouns, and the plural and the singular, shall be construed to be and shall be interchangeable in any place or places in which the context may require such interchange.

24.12 Attorney's Fees. In the event any litigation ensues with respect to the rights, duties and obligations of the parties under this Lease, the unsuccessful party in any such action or proceeding shall pay for all costs, expenses and reasonable attorney's fees incurred by the prevailing party in enforcing the covenants and agreements of this Lease. The term "prevailing party," as used herein, shall include, without limitation, a party who obtains legal counsel and brings action against the other party by reason of the other party's breach or default and obtains substantially the relief sought, whether by compromise, settlement or judgment.

24.14. Regulatory Matters. (a) Landlord and Tenant enter into this Lease with the intent of conducting their relationship and implementing the agreements contained herein in full compliance with applicable federal, state and local law, including without limitation, the Medicare/Medicaid Anti-Kickback statute (the "**Anti-Kickback Law**") and Section 1877 of the Social Security Act (the "**Stark Law**"), as amended. Notwithstanding any unanticipated effect of any of the provisions of this Lease, neither party will intentionally conduct itself under the terms of this Lease in a manner that would constitute a violation of the Anti-Kickback Law or the Stark Law. Without limiting the generality of the foregoing, Landlord and Tenant expressly agree that nothing contained in this Lease shall require either party to refer any patients to the other, or to any affiliate or subsidiary of the other.

(b) If any legislation, regulation or government policy is passed or adopted, the effect of which would cause either party to be in violation of such laws due to the existence of any provision of this Lease, then Landlord and Tenant agree to negotiate in good faith for a period of ninety (90) days to modify the terms of this Lease to comply with applicable law. Should the parties hereto fail to agree upon modified terms to this Lease within this time, then either Landlord or Tenant may immediately terminate this Lease by giving written notice to the other party.

(c) Landlord represents and warrants to Tenant that Landlord (i) is not currently excluded, debarred or otherwise ineligible to participate in Medicare or any federal health care program under section 1128 and 1128A of the Social Security Act or as defined in 42 U.S.C. § 1320a-7b(f) (the "**Federal Health Care Programs**"); (ii) has not been convicted of a criminal offense related to the provision of healthcare items or services; and (iii) is not under investigation or otherwise aware of any circumstances which may result in Landlord being excluded from participation in any Federal Health Care Program. The foregoing representation shall be an ongoing representation and warranty during the term of this Lease and Landlord shall immediately notify Tenant of any change in the status of the representation and warranty set forth in this Section, at which time Tenant will have the right to immediately terminate this Lease.

(d) Landlord represents and warrants to Tenant that Landlord is not a "Referral Source" (as hereinafter defined) and that no ownership or beneficial interest in Landlord is owned or held by any Referral Source. "**Referral Source**" shall mean (i) a physician, an immediate family member or member of a physician's immediate family, an entity owned in whole or in part by a physician or by an immediate family member or member of a physician's immediate family or by any other "Person" (as hereinafter defined) who (a) makes, who is in a position to make, or who could influence the making of referrals of patients to any health care facility; (b) has a provider number issued by Medicare, Medicaid or any other government health care program; or (c) provides services to patients who have conditions that might need to be referred for clinical or medical care, and participates in any way in directing, recommending, arranging for or steering patients to any health care provider or facility; and (ii) any Person or entity that is an "Affiliate" (as hereinafter defined) of any Person or other entity described in clause (i) above. "**Immediate family member or member of a physician's immediate family**" means husband or wife; birth or adoptive

parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild. "**Affiliate**" shall mean, any Person that directly or indirectly controls or is controlled by or is under common control with a Referral Source. For purposes of this definition, "**control**" (including the correlative meanings of the terms "**controlled by**" and "**under common control with**"), as used herein, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, partnership interests or other equity interests. "**Person**" shall mean any one or more natural persons, corporations, partnerships, limited liability companies, firms, trusts, trustees, governments, governmental authorities or other entities. Landlord acknowledges and agrees that the representations and warranties set forth above are and shall be relied upon by Tenant in connection with the transaction(s) contemplated by this Lease.

(e) For purposes of this Section of this Lease, "protected health information", or PHI, shall have the meaning defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 (the "**Privacy Standards**"), as promulgated by the Department of Health and Human Services ("**HHS**") pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**"). The parties agree that neither the Landlord nor its contractors, subcontractors or agents shall need access to, nor shall they use or disclose, any PHI of Tenant. However, in the event PHI is disclosed by Tenant or its agents to Landlord, its, contractors, subcontractors or agents, regardless as to whether the disclosure is inadvertent or otherwise, Landlord agrees to take reasonable steps to maintain, and to require its contractors, subcontractors and agents to maintain, the privacy and confidentiality of such PHI. The parties agree that the foregoing does not create, and is not intended to create, a "business associate" relationship between the parties as that term is defined by the Privacy Standards.

24.15 Signs. Tenant shall provide and install, at Tenant's cost, signs at all entrances to the Premises which signs shall identify the name of Tenant or, if such space is occupied by a subtenant, identify the name of such subtenant. Landlord shall, at Tenant's cost, include the name of Tenant and its subtenants on the Building directory located in the Common Areas near the main entrance of the Building. Tenant shall maintain all signs in a good state of repair, shall save Landlord harmless from any loss, cost or damage caused by the erection, existence, maintenance or removal thereof and shall repair any damage resulting therefrom. At the end of the term or this Lease, Tenant shall remove said signs and repair any damage caused thereby.

24.16 No Personal Liability. If Landlord shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by it under this Lease and if Tenant shall, as a consequence thereof, recover a money judgment against Landlord, Tenant agrees that it shall look solely to Landlord's right, title and interest in and to the Premises for the collection of such judgment; and Tenant further agrees that no other assets of Landlord shall be subject to levy, execution or other process for the satisfaction of Tenant's judgment and that Landlord shall not be liable for any deficiency.

[signatures on next page]

IN WITNESS WHEREOF, the parties have duly executed this Lease the day and year first above written.

LANDLORD:

FREELAND REALTY 4, LLC, a Tennessee
limited liability company

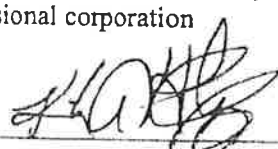
By: 

Name: Bernard G. Freeland

Title: Manager

TENANT:

RADIOLOGY ALLIANCE, P.C., a Tennessee
professional corporation

By: 

Name: KERK A. HENTZ

Title: CEO

(5380 Hickory Hollow Parkway, Antioch, Tennessee 37013)

FIRST AMENDMENT TO LEASE

(5380 Hickory Hollow Parkway, Antioch, Tennessee)

THIS FIRST AMENDMENT TO MEDICAL OFFICE BUILDING LEASE (this "Amendment") is made as of September 30, 2016 (the "Date of this Amendment"), by and between FREELAND REALTY 4, LLC ("Landlord") and RADIOLOGY ALLIANCE, P.C., a Tennessee professional corporation ("Tenant"), under the following circumstances:

A. Landlord and Tenant have entered into that certain Lease, dated as of July 15, 2016, (hereinafter referred to as the "Lease"), whereby Landlord has lease to Tenant premises consisting of approximately 5,473 rentable square feet and known as Suite No. 101 (the "Premises") on the first floor of the building located at 5380 Hickory Hollow Parkway, Antioch, Tennessee 37013; and

B. Landlord and Tenant desire to enter into this Amendment in order to modify certain terms of the Lease.

NOW THEREFORE, in consideration of the premises and the agreements and covenants contained herein, Landlord and Tenant agree that the lease is amended and modified as follows:

1. Effective November 1, 2016 (the "Addition Space Commencement Date"), the space outlined and identified on Exhibit A-1 to this Amendment as the "Addition Space" consisting of approximately 2,494 rentable square feet of space on the first floor in the Building shall be added to the Premises leased to Tenant under the Lease. The floor plan of the Premises as added is more particularly shown on Exhibit A-2 attached hereto and incorporated herein. From and after the Addition Space Commencement Date, the Premises shall consist of approximately 7,967 rentable square feet of space.

2. The Lease is hereby amended by deleting the word "Suite 101" everywhere they occur and replacing them with the words "Suite 101 and 111."

3. Base Rent Payable in accordance with Section 2.1 of the Lease shall be as follows:

Lease Year	Per Rentable Square Foot Annual Base Rent Rate	Annual Base Rent	Monthly Base Rent Installment
1	\$ 18.00 per r.s.f.	\$ 143,406.00	\$ 11,950.50
2	\$ 18.45 per r.s.f.	\$ 146,991.15	\$ 12,249.26
3	\$ 18.91 per r.s.f.	\$ 150,665.93	\$ 12,555.49
4	\$ 19.38 per r.s.f.	\$ 154,432.58	\$ 12,869.38
5	\$ 19.87 per r.s.f.	\$ 158,293.39	\$ 13,191.12
6	\$ 20.37 per r.s.f.	\$ 162,250.73	\$ 13,520.89
7	\$ 20.87 per r.s.f.	\$ 166,306.99	\$ 13,858.92
8	\$ 21.40 per r.s.f. [If 1 st Renewal Term is applicable]	\$ 170,464.67	\$ 14,205.39

9	\$ 21.93 per r.s.f. [If 1 st Renewal Term is applicable]	\$ 174,726.29	\$14,560.52
10	\$ 22.48 per r.s.f. [If 1 st Renewal Term is applicable]	\$ 179,094.44	\$ 14,924.54
11	\$ 23.04 per r.s.f. [If 1 st Renewal Term is applicable]	\$ 183,571.80	\$ 15,297.65
12	\$ 23.62 per r.s.f. [If 1 st Renewal Term is applicable]	\$ 188,161.10	\$ 15,680.09
13	\$ 24.21 per r.s.f. [If 2 nd Renewal Term is applicable]	\$ 192,865.13	\$ 16,072.09
14	\$ 24.81 per r.s.f. [If 2 nd Renewal Term is applicable]	\$ 197,686.75	\$16,473.90
15	\$ 25.43 per r.s.f. [If 2 nd Renewal Term is applicable]	\$ 202,628.92	\$ 16,885.74
16	\$ 26.07 per r.s.f. [If 2 nd Renewal Term is applicable]	\$ 207,694.65	\$ 17,307.89
17	\$ 26.72 per r.s.f. [If 2 nd Renewal Term is applicable]	\$ 212,887.01	\$ 17,740.58

4. Except as amended by this Amendment, the Lease is not otherwise amended, and the Lease is hereby ratified and confirmed and remains in full force and effect, as amended hereby. In the event of a conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall control. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. Defined terms used in this Amendment not defined herein shall have the meaning set forth in the Lease.

[signatures on following page]

IN WITNESS WHEREOF, the parties have duly executed this Amendment as of the day and year first above written.

LANDLORD:

FREELAND REALTY 4, L.L.C., a Tennessee
limited liability company

By: _____

Ben Freeland
Managing Member

Date: _____

11/15/16

TENANT:

RADIOLOGY ALLIANCE, PC, a Tennessee
professional corporation

By: _____

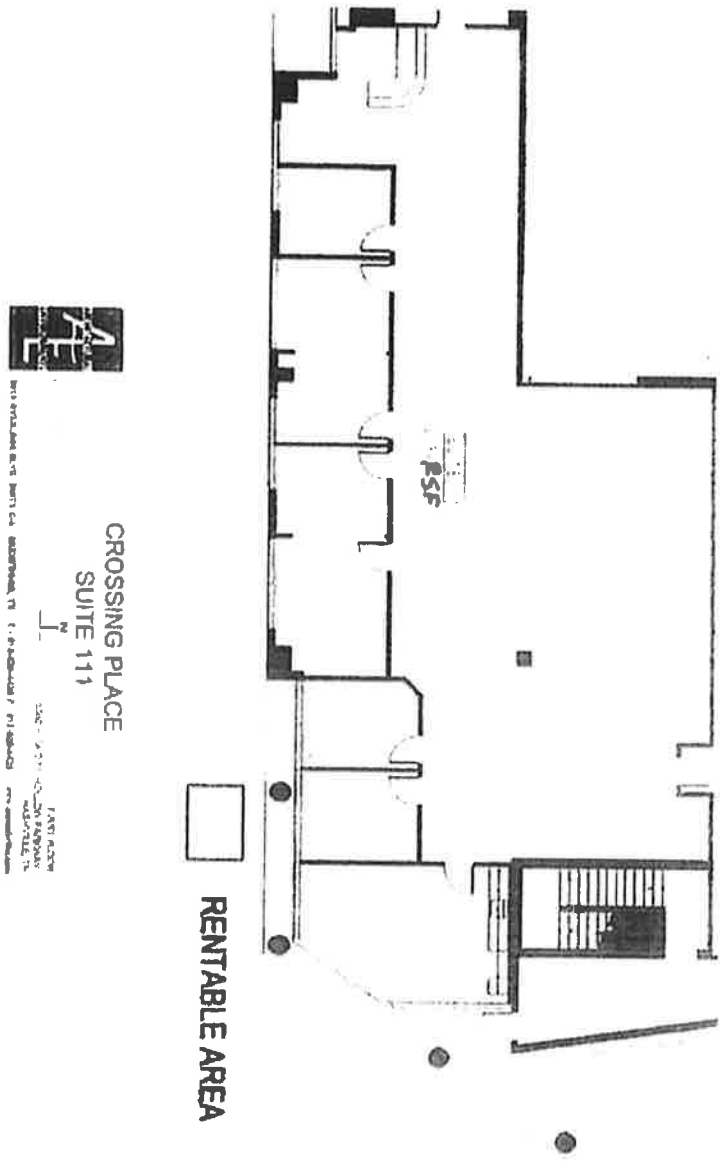
Name: _____

Kirk Hintz
Chief Executive Officer

Date: _____

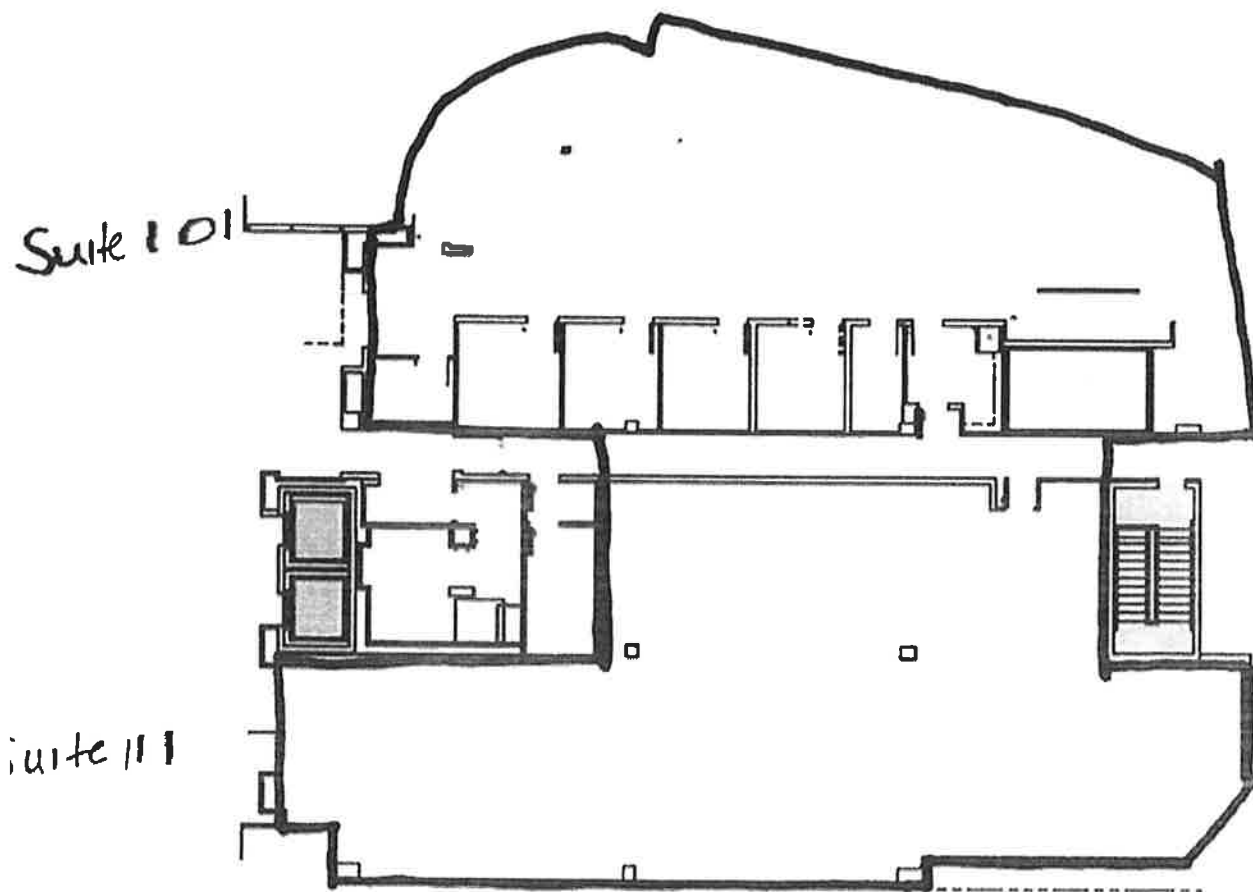
11-9-16

Exhibit A-1



11111 CROSSING PLACE, SUITE 111, DALLAS, TX 75244
FLOOR PLAN
DATE: 10/1/00
DRAWN BY: J. L. BROWN
CHECKED BY: J. L. BROWN
APPROVED BY: J. L. BROWN

Exhibit A-2
The Premises



02557733-1

EXHIBIT A TO LEASE

Floor Plan of Premises

EXHIBIT BTO LEASE

Legal Description of the Land

File No.: NCS-531547-NAS

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF DAVIDSON, CITY OF NASHVILLE, STATE OF TENNESSEE, DESCRIBED AS FOLLOWS:

BEING PARCEL ¹ AS SHOWN ON THE PLAN OF THE RESUBDIVISION OF LOT "L" OF THE FIRST REVISION, SECTION THIRTEEN, HICKORY HOLLOW MALL OF RECORD IN PLAT BOOK 8250, PAGE 849, REGISTER'S OFFICE FOR DAVIDSON COUNTY, TENNESSEE.

BEING THE SAME PROPERTY CONVEYED TO INSOUTH BANK FROM THE LIVING WORD MINISTRIES, INC., A TENNESSEE NON-PROFIT CORPORATION BY DEED IN LIEU OF FORECLOSURE OF RECORD IN INSTRUMENT NO. 20110930-0076060, IN THE REGISTER'S OFFICE FOR DAVIDSON COUNTY, TENNESSEE

EXHIBIT CTO LEASE

Recording Requested By and
When Recorded Mail to:

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT is made and entered into as of __, 20__, by and between __, a __ (the "**Mortgagee**") (which term shall include its successors and assigns unless the context otherwise indicates), having an address at __, and __, a __ ("**Tenant**"), having an address at __, under the following circumstances:

A. __ ("**Landlord**") has executed and delivered that certain promissory note dated __, 20__ (the "**Note**") in the aggregate original principal amount of __ Dollars (\$__) payable to the order of Mortgagee, which Note was executed in connection with a credit agreement and related documents (the Note, the credit agreement and such related documents shall be referred to collectively as the "**Loan Documents**") between Landlord and Mortgagee; and

B. The Note is secured by that certain mortgage or deed of trust (the "**Deed of Trust**") executed by Landlord and in favor of Mortgagee, recorded in Book __, Page __ of the Records of __, and which covers the real estate more particularly described in the attached Exhibit A which includes a building known as __ (the "**Building**"); and

C. Landlord and Tenant entered into that certain Lease dated _____ (the "**Lease**") which covers a portion of the space in the Building (the "**Premises**") for a term of __ years with __ renewal options; and

D. The Note evidences a loan by the Mortgagee to Landlord, and the Mortgagee is unwilling to make advances on the Note unless the Mortgagee and Tenant execute this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and Ten and No/100 Dollars (\$10.00) and other good and valuable consideration each to the other cash in hand paid, the receipt of which is hereby acknowledged and confessed, Mortgagee and Tenant agree as follows:

1. Subject to the terms and conditions of this Agreement hereinafter set forth, the Lease is subject and subordinate in all respects to the Deed of Trust and to any and all renewals, modifications, replacements, additions, expansions and extensions thereof.

2. As long as no default as described in Section 13.1 of the Lease has occurred and is continuing beyond any applicable grace period without having been remedied or cured, the Mortgagee agrees that:

(a) in any judicial action or proceeding to foreclose the Deed of Trust, the leasehold estate created by the Lease shall not be affected or terminated by such action or proceeding or any judgment rendered therein;

- (b) the Mortgagee and any subsequent holder of the Deed of Trust shall be deemed to have disclaimed any interest in personal property, equipment and fixtures supplied by Tenant or its subtenants at no cost to Landlord, excepting replacements of improvements and fixtures furnished by Landlord; provided there shall be no waiver of any rights which Landlord may have in any of the foregoing property upon expiration or termination of the Lease, if Mortgagee succeeds to the interest of Landlord under the Lease;
- (c) Tenant shall have and at all times may exercise all rights and privileges to which it is entitled under the Lease; and
- (d) Tenant's possession (subject to the terms of the Lease) and other rights and privileges and its rights to personal property, equipment and fixtures supplied by it or its subtenants, shall not be disturbed by the Mortgagee or by any foreclosure or other proceedings on the debt which the Deed of Trust secures, any conveyance by deed in lieu of foreclosure, or any exercise of a power of sale or any other remedy provided in the Deed of Trust or the Loan Documents, or by anyone whose rights were acquired as a result of such proceedings or by virtue of a right or power contained in the Deed of Trust, or the bond or note secured thereby, or the Loan Documents.

3. Provided Tenant is not in default (beyond any period given Tenant to cure such default) under the terms of the Lease as of the date Mortgagee commences foreclosure action or posts for foreclosure or accepts a deed in lieu of foreclosure, as the case may be, then Tenant shall not be made a party to any foreclosure action or proceeding and no default under the Deed of Trust and no proceeding to foreclose the same, deed in lieu of foreclosure, exercise of a power of sale or the exercise of any right or remedy under the Deed of Trust or the Loan Documents will disturb Tenant's possession or rights under the Lease and the Lease will not be affected or cut off thereby (except to the extent otherwise provided in this Agreement). Notwithstanding any such proceeding to foreclose the Deed of Trust, deed in lieu of foreclosure, exercise of a power of sale or exercise of any right or remedy under the Deed of Trust or the Loan Documents or other acquisition of the Premises by Mortgagee or any other party, upon or in lieu of a foreclosure sale, upon and subject to the provisions of this Agreement, Mortgagee or such other parties so acquiring the Premises shall recognize the Lease and Tenant as tenant under the Lease, as well as all rights, privileges and options of Tenant thereunder, including, without limitation, Tenant's options and rights to purchase or acquire the Premises and any proceeds of insurance in the event of fire or other damage, and will perform and observe all of Landlord's obligations and agreements under the Lease (except any such obligations from which Mortgagee is specifically exempted under the terms of the Lease); and Tenant shall recognize the Lease and shall recognize and attorn to Mortgagee or any other owner as Landlord under the Lease so long as no defaults exist in the performance of the obligations of Landlord under the Lease. Notwithstanding the foregoing, the Mortgagee or any other person or entity succeeding to ownership of the Premises as set forth above, shall not (a) be liable for any previous act or omission or default of Landlord under the Lease, (b) be subject to any offset which shall have accrued to Tenant against Landlord, (c) have any obligation with respect to any security deposit under the Lease unless such security deposit has been delivered to Mortgagee, or (d) be bound by any previous prepayment of rent for a period greater than one month unless such prepayment shall have been expressly approved in writing by Mortgagee.

4. Tenant, upon request of Mortgagee or any other person or entity succeeding to the ownership of the Premises as set forth above, will execute a written agreement whereunder Tenant will attorn to Mortgagee or such other owner and affirm Tenant's obligations under the Lease and agree to pay all rentals and charges then due or to become due under the Lease to Mortgagee or such other owner, subject to performance by Mortgagee or such other owner of the obligations of Landlord under the Lease.

5. Mortgagee, from and after the date hereof, shall send a copy of any notice of any default on the part of Landlord under the Loan Documents, Note or Deed of Trust, to Tenant at the same time such notice is sent to Landlord under the Loan Documents, Note or Deed of Trust. Notices to Tenant hereunder will be given by registered or certified United States mail, postage prepaid, return receipt requested, addressed to Tenant at c/o HCA Inc., One Park Plaza, Nashville, Tennessee 37203, Attention: Vice President, Corporate Real Estate, or such other address as Tenant may from time to time designate in writing to Mortgagee.

6. Subject to the rights of Tenant and the agreements of Mortgagee set forth in this Agreement, nothing contained in this Agreement shall in any way impair or affect the validity or priority of the lien created by the Deed of Trust or any of the rights of Mortgagee thereunder.

7. No modification, amendment, waiver or release of any provision of this Agreement or any right, obligation, claim or cause of action arising hereunder shall be valid or binding for any purpose whatsoever unless in writing and duly executed by the party against whom the same is sought to be asserted.

8. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns; provided, however, that in the event of the assignment or transfer of the Deed of Trust, all obligations and liabilities of Mortgagee thereafter accruing shall be the responsibility of the party to whom Mortgagee's interest is assigned or transferred.

9. Landlord shall have no rights under or any benefits from this Agreement.

[signatures on next page]

EXECUTED as of the day and date first above written.

WITNESSES:

Name: _____

Name: _____

MORTGAGEE:

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

By: _____

Name: _____

Title: _____

Date: _____

[ADD ACKNOWLEDGEMENTS]

A-6B(1)a-d

Plot Plan

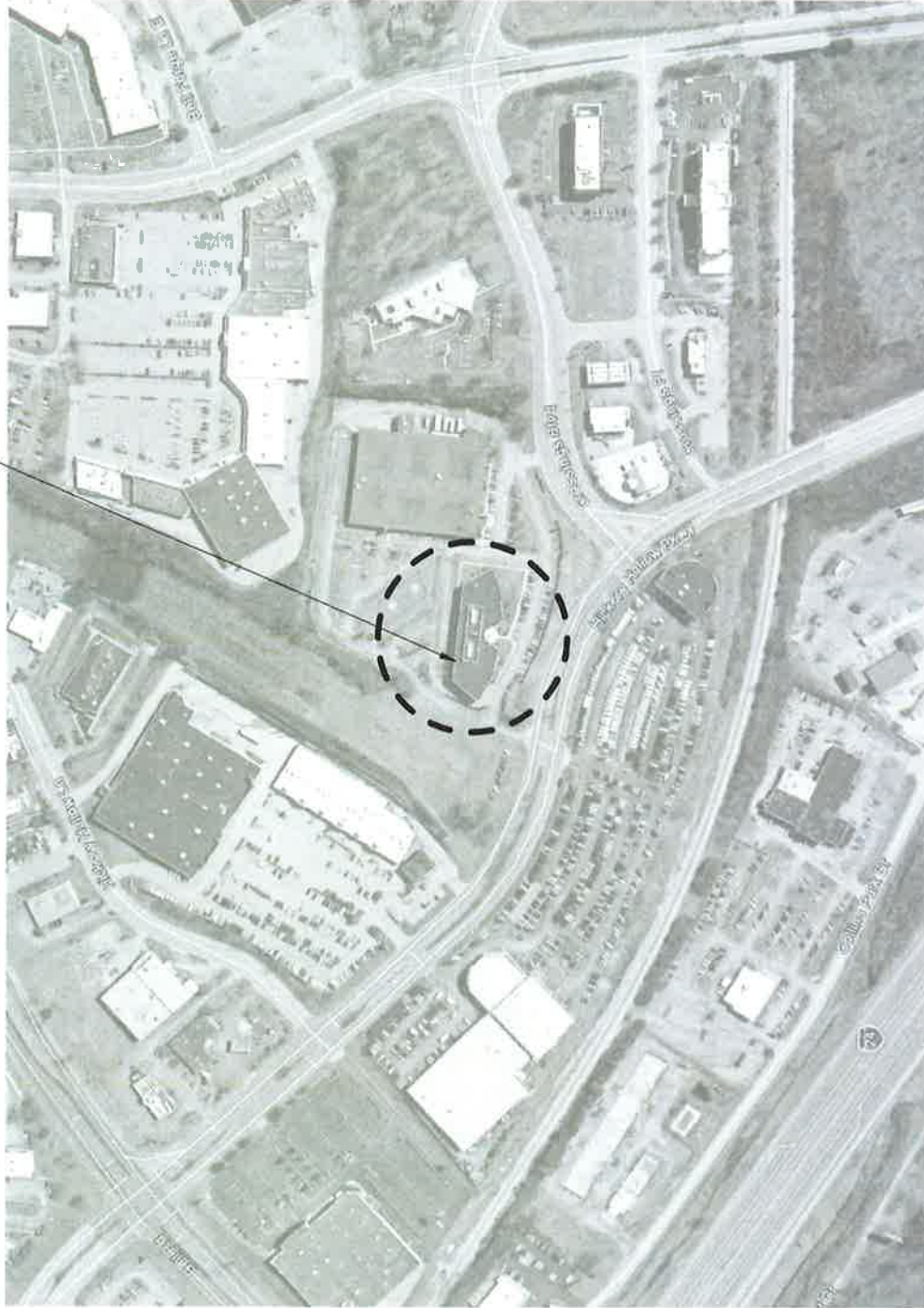
SITE & PROJECT INFO:

PARCEL ID: 16300037800
ADDRESS: 5380 HICKORY HOLLOW PARKWAY
ANTIOCH, TN 37013
ZONING: OV-AIR
ACREAGE: 5.1 ACRES

PROPOSED CONSTRUCTION:

NEW CONSTRUCTION: 0 SF
RENOVATION: 6,890 SF
TOTAL AREA: 6,890 SF

5380 HICKORY
HOLLOW PARKWAY



LOCATION MAP

1" = 400'-0"

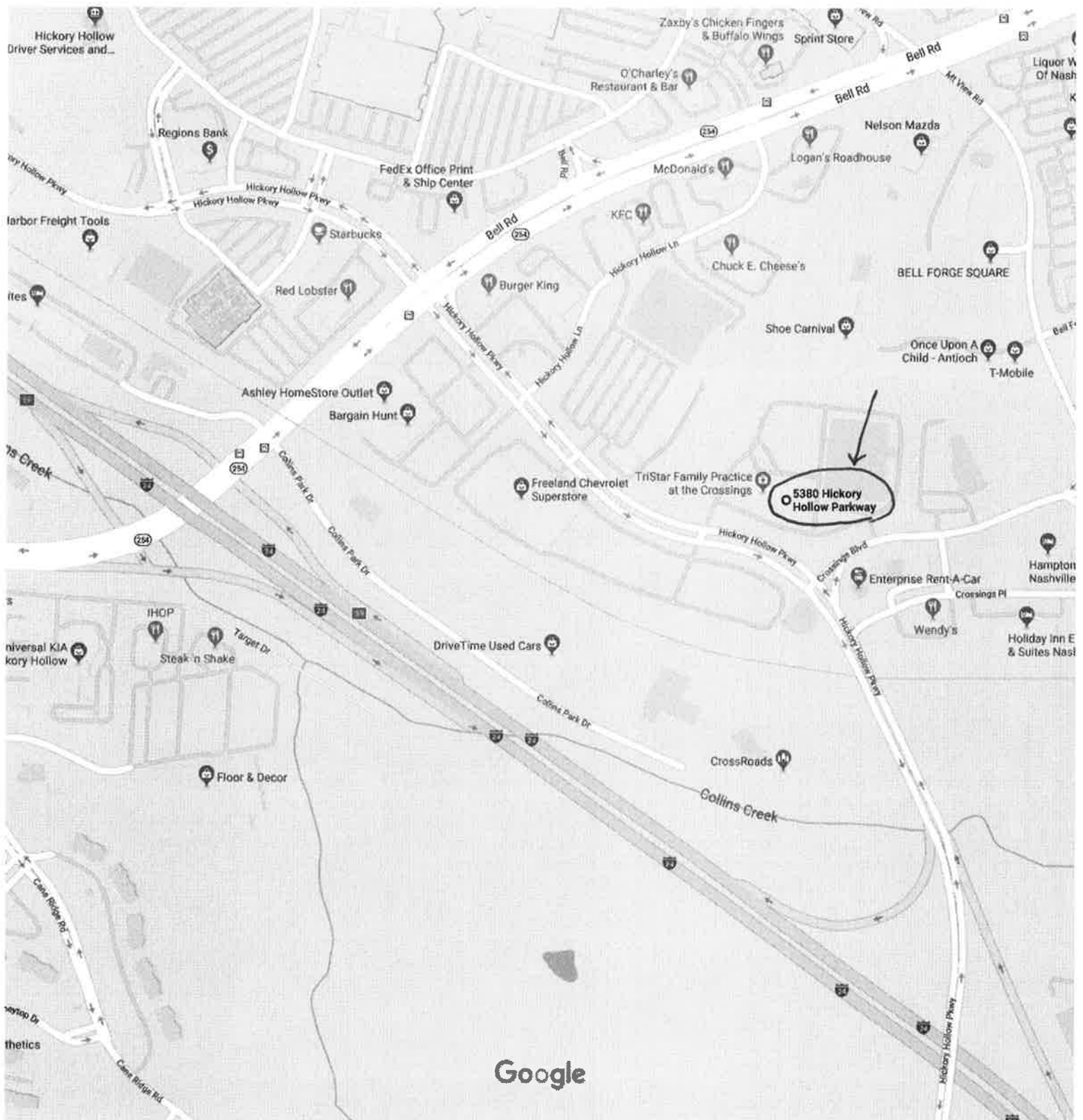
HFR DESIGN

214 Centerville Drive Suite 300 Brentwood,
TN 37027
P 615.370.8500
F 615.370.8530
hfrdesign.com

IMAGING TENANT BUILD-OUT
RADIOLOGY ALLIANCE
5380 HICKORY HOLLOW PARKWAY
ANTIOCH, TN 37013

HFR PROJECT NO.: 2016128 DATE: NOVEMBER 17, 2016 DRAWN BY: CC CHECKED BY: CC REVIEWER: CC	LOCATION MAP
---	-----------------

G02



Map data ©2018 Google 200 ft

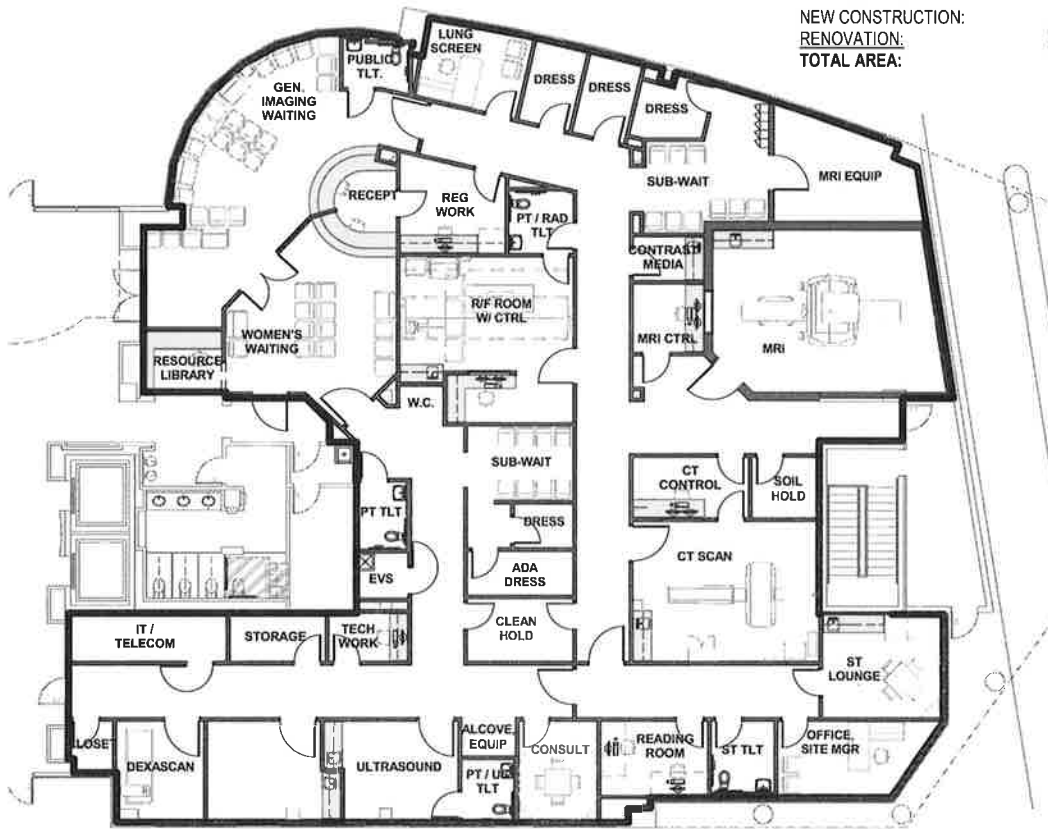
DELAYS

Moderate traffic in this area

A-6B(2)

Floor Plans

2/27/2017 2:13:23 PM
C:\Users\mfrank\Desktop\Raw\Project\2016128 Arch - Project Central_mfrank@hfrdesign.com.rvt
COPYRIGHT 2015 - ALL RIGHTS RESERVED - NO PORTIONS MAY BE REPRODUCED WITHOUT EXPRESSED WRITTEN CONSENT OF HART FREELAND ROBERTS, INC.



FLOOR PLAN

1/16" = 1'-0"

PROJECT DESCRIPTION:

MAJOR RENOVATION TO CREATE AN
OUTPATIENT IMAGING SUITE WITHIN AN
EXISTING OFFICE BUILDING

AREA SUMMARY:

NEW CONSTRUCTION:

RENOVATION:

TOTAL AREA:

0 SF

6,890 SF

6,890 SF

HFR DESIGN

214 Centerway Drive Suite 300 Brentwood,
TN 37027
p 615.370.8500
f 615.370.8500
hfrdesign.com

IMAGING TENANT BUILD-OUT

5380 HICKORY HOLLOW PARKWAY
ANTIOCH, TN 37013

HFR PROJECT NO.: 2016128
DATE: FEBRUARY 27, 2017
PM REVIEWER:
QC REVIEWER:

FLOOR PLAN

G01

A-13B

**Major Medical Equipment
Quotes / Leases**



GE Healthcare

Date: 01-24-2018
Quote #: PR8-C81351
Version #: 10

Radiology Alliance
210 25th Ave N Ste 602
Nashville TN 37203-1631

Attn: Ms. Luginia Hill
210 25th Ave N Ste 602 Nashville
TN 37220

Customer Number : 1-25Q3XC
Quotation Expiration Date: 04-13-2018

The terms of the Master Purchasing Agreement, Strategic Alliance Agreement or GPO Agreement referenced below as the Governing Agreement shall govern this Quotation. No additional or different terms shall apply unless agreed to in writing by authorized representatives of both parties.

Governing Agreement:	Novation - Vizient Supply LLC
Terms of Delivery:	FOB Destination
Billing Terms:	80% delivery / 20% Installation
Payment Terms:	NET 30
Total Quote Net Selling Price:	\$1,026,616.14

Please Select Tax Status Of Order

- ☐ Exempt from Sales and Use Tax (Note: GEHC must have a Current Tax Exemption Certificate)
☐ Subject to Sales and Use Tax

INDICATE FORM OF PAYMENT:

If "GE HEF Loan" or "GE HEF Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Equipment Finance (GE HEF) to fund this arrangement after shipment.

- ☐ Cash/Third Party Loan
☐ GE HEF Lease
☐ GE HEF Loan
☐ Third Party Lease (please identify financing company) _____

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE

Gary Young 01-24-2018

Signature Date

Vaso Healthcare - Authorized Manufacturer Rep

Email: GaryYoung@ge.com
Office: +1 615 202 6373
Mobile: 615-202-6373



GE Healthcare

Date: 01-22-2018
Quote #: PR15-C6144
Version #: 15

Radiology Alliance
210 25th Ave N Ste 602
Nashville TN 37203-1631

Attn: Ms. Luginia Hill
210 25th Ave N Ste 602 Nashville
TN 37220

Customer Number : 1-25Q3XC
Quotation Expiration Date: 03-31-2018

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above for the Governing Agreement, if any, shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation.

No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties.

Governing Agreement:	Novation - Vizient Supply LLC Group Buy
Terms of Delivery:	FOB Destination
Billing Terms:	80% delivery / 20% Installation
Payment Terms:	NET 30
Total Quote Net Selling Price:	\$576,239.00

Please Select Tax Status Of Order

- ☐ Exempt from Sales and Use Tax (Note: GEHC must have a Current Tax Exemption Certificate)
☐ Subject to Sales and Use Tax

INDICATE FORM OF PAYMENT:

If "GE HEF Loan" or "GE HEF Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Equipment Finance (GE HEF) to fund this arrangement after shipment.

- ☐ Cash/Third Party Loan
☐ GE HEF Lease
☐ GE HEF Loan
☐ Third Party Lease (please identify financing company) _____

By signing below, each party certifies that it (i) has received a complete copy of this Quotation, including the GE Healthcare terms, conditions and warranties, and (ii) has not made any handwritten or electronic modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE

Gary Young 01-22-2018

Signature Date

Vaso Healthcare - Authorized Manufacturer Rep

Email: GaryYoung@ge.com
Office: +1 615 202 6373
Mobile: 615-202-6373



GE Healthcare

Date: 01-24-2018
Quote #: PR11-C80768
Version #: 9

Radiology Alliance
210 25th Ave N Ste 602
Nashville TN 37203-1631

Attn: Victoria Hill
210 25th Ave N Ste 602 Nashville
TN 37205

Customer Number : 1-25Q3XC
Quotation Expiration Date: 03-31-2018

The terms of the Master Purchasing Agreement, Strategic Alliance Agreement or GPO Agreement referenced below as the Governing Agreement shall govern this Quotation. No additional or different terms shall apply unless agreed to in writing by authorized representatives of both parties.

Governing Agreement:	Novation - Vizient Supply LLC
Terms of Delivery:	FOB Destination
Billing Terms:	80% delivery / 20% Installation
Payment Terms:	NET 30
Total Quote Net Selling Price:	\$496,543.40

Please Select Tax Status Of Order

- ☐ Exempt from Sales and Use Tax (Note: GEHC must have a Current Tax Exemption Certificate)
☐ Subject to Sales and Use Tax

INDICATE FORM OF PAYMENT:

If "GE HEF Loan" or "GE HEF Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Equipment Finance (GE HEF) to fund this arrangement after shipment.

☐ Cash/Third Party Loan
☐ GE HEF Lease
☐ GE HEF Loan
☐ Third Party Lease (please identify financing company) _____

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE

Gary Young

Signature

Vaso Healthcare - Authorized Manufacturer Rep

Email: GaryYoung@ge.com
Office: +1 615 202 6373
Mobile: 615-202-6373

01-24-2018

Date

A-13F

FDA Approval



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Food and Drug Administration
10903 New Hampshire Avenue
Document Control Center - WO66-G609
Silver Spring, MD 20993-0002

August 23, 2016

Toshiba Medical Systems Corporation
% Janine Reyes
Manager, Regulatory Affairs
Toshiba America Medical Systems, Inc.
2441 Michelle Drive
TUSTIN CA 92780

Re: K160632

Trade/Device Name: Vantage Titan 1.5T, MRT-1510, V3.6 Software
Regulation Number: 21 CFR 892.1000
Regulation Name: Magnetic resonance diagnostic device
Regulatory Class: II
Product Code: LNH
Dated: July 27, 2016
Received: July 29, 2016

Dear Ms. Reyes:

We have reviewed your Section 510(k) premarket notification of intent to market the device referenced above and have determined the device is substantially equivalent (for the indications for use stated in the enclosure) to legally marketed predicate devices marketed in interstate commerce prior to May 28, 1976, the enactment date of the Medical Device Amendments, or to devices that have been reclassified in accordance with the provisions of the Federal Food, Drug, and Cosmetic Act (Act) that do not require approval of a premarket approval application (PMA). You may, therefore, market the device, subject to the general controls provisions of the Act. The general controls provisions of the Act include requirements for annual registration, listing of devices, good manufacturing practice, labeling, and prohibitions against misbranding and adulteration. Please note: CDRH does not evaluate information related to contract liability warranties. We remind you, however, that device labeling must be truthful and not misleading.

If your device is classified (see above) into either class II (Special Controls) or class III (PMA), it may be subject to additional controls. Existing major regulations affecting your device can be found in the Code of Federal Regulations, Title 21, Parts 800 to 898. In addition, FDA may publish further announcements concerning your device in the Federal Register.

Please be advised that FDA's issuance of a substantial equivalence determination does not mean that FDA has made a determination that your device complies with other requirements of the Act or any Federal statutes and regulations administered by other Federal agencies. You must comply with all the Act's requirements, including, but not limited to: registration and listing (21 CFR Part 807); labeling (21 CFR Part 801); medical device reporting (reporting of medical device-related adverse events) (21 CFR 803); good manufacturing practice requirements as set forth in the quality systems (QS) regulation (21 CFR Part 820); and if applicable, the electronic product radiation control provisions (Sections 531-542 of the Act); 21 CFR 1000-1050.

If you desire specific advice for your device on our labeling regulation (21 CFR Part 801), please contact the Division of Industry and Consumer Education at its toll-free number (800) 638 2041 or (301) 796-7100 or at its Internet address

<http://www.fda.gov/MedicalDevices/ResourcesforYou/Industry/default.htm>. Also, please note the regulation entitled, "Misbranding by reference to premarket notification" (21 CFR Part 807.97). For questions regarding the reporting of adverse events under the MDR regulation (21 CFR Part 803), please go to

<http://www.fda.gov/MedicalDevices/Safety/ReportaProblem/default.htm> for the CDRH's Office of Surveillance and Biometrics/Division of Postmarket Surveillance.

You may obtain other general information on your responsibilities under the Act from the Division of Industry and Consumer Education at its toll-free number (800) 638-2041 or (301) 796-7100 or at its Internet address

<http://www.fda.gov/MedicalDevices/ResourcesforYou/Industry/default.htm>.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. Ochs", is written over a faint, large "FDA" watermark.

For Robert Ochs, Ph.D.
Director
Division of Radiological Health
Office of In Vitro Diagnostics
and Radiological Health
Center for Devices and Radiological Health

Enclosure

Indications for Use

510(k) Number (if known)

K160632

Device Name

Vantage Titan 1.5T, MRT-1510, V3.6 Software

Indications for Use (Describe)

The Vantage Titan system is indicated for use as a diagnostic imaging modality that produces cross-sectional transaxial, coronal, sagittal, and oblique images that display anatomic structures of the head or body. Additionally, this system is capable of non-contrast enhanced imaging, such as MRA.

MRI (magnetic resonance imaging) images correspond to the spatial distribution of protons (hydrogen nuclei) that exhibit nuclear magnetic resonance (NMR). The NMR properties of body tissues and fluids are:

- Proton density (PD) (also called hydrogen density)
- Spin-lattice relaxation time (T1)
- Spin-spin relaxation time (T2)
- Flow dynamics
- Chemical Shift

Contrast agent use is restricted to the approved drug indications. When interpreted by a trained physician, these images yield information that can be useful in diagnosis.

Type of Use (Select one or both, as applicable)

☒ Prescription Use (Part 21 CFR 801 Subpart D)

☐ Over-The-Counter Use (21 CFR 801 Subpart C)

CONTINUE ON A SEPARATE PAGE IF NEEDED.

This section applies only to requirements of the Paperwork Reduction Act of 1995.

DO NOT SEND YOUR COMPLETED FORM TO THE PRA STAFF EMAIL ADDRESS BELOW.

The burden time for this collection of information is estimated to average 79 hours per response, including the time to review instructions, search existing data sources, gather and maintain the data needed and complete and review the collection of information. Send comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing this burden, to:

Department of Health and Human Services
Food and Drug Administration
Office of Chief Information Officer
Paperwork Reduction Act (PRA) Staff
PRASStaff@fda.hhs.gov

"An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB number."

510(k) SUMMARY

This summary of 510(k) safety and effectiveness information is being submitted in accordance with the requirements of Safe Medical Device Act 1990 and 21 CFR § 807.92.

1. CLASSIFICATION AND DEVICE NAME:

Classification Name:	Magnetic Resonance Diagnostic Device
Regulation Number:	90-LNH (Per 21 CFR § 892.1000)
Trade Proprietary Name:	Vantage Titan 1.5T
Model Number:	MRT-1510

2. SUBMITTER'S NAME:

Toshiba Medical Systems Corporation (TMSC)
1385 Shimoishigami
Otawara-Shi, Tochigi-ken, Japan 324-8550

3. OFFICIAL CORRESPONDENT:

Akinori Hatanaka
Senior Manager, Regulatory Affairs and Vigilance

4. CONTACT PERSON, U.S. AGENT AND ADDRESS:

Contact Person:

Janine Faith Reyes
Manager, Regulatory Affairs
Toshiba America Medical Systems, Inc.
2441 Michelle Drive, Tustin, CA 92780
(714) 669-7853

U.S. Agent:

Paul Biggins
Director, Regulatory Affairs
Toshiba America Medical Systems, Inc.
2441 Michelle Drive, Tustin, CA 92780
(714) 669-7808

5. MANUFACTURING SITE:

Toshiba Medical Systems Corporation (TMSC)
1385 Shimoishigami
Otawara-Shi, Tochigi-ken, Japan 324-8550

6. ESTABLISHMENT REGISTRATION:

9614698

7. Date Prepared:

July 27, 2016

TOSHIBA AMERICA MEDICAL SYSTEMS, INC.

8. DEVICE NAME:

Vantage Titan 1.5T, MRT-1510, V3.6 Software

9. TRADE NAME(S):

Vantage Titan 1.5T

10. CLASSIFICATION NAME:

Magnetic Resonance Diagnostic Device (MRDD)

11. CLASSIFICATION PANEL:

Radiology

12. DEVICE CLASSIFICATION:

Class II (per 21 CFR 892.1000, Magnetic Resonance Diagnostic Device)

13. PRODUCT CODE:

90-LNH

14. PREDICATE DEVICE:

Primary Predicate Device (system): Vantage Titan 1.5T, MRT-1510, V3.1

Reference Predicate Device (added software functionalities): Vantage Titan 3T, MRT-3010, V3.5

System	Subject	Primary Predicate	Reference Predicate
	Vantage Titan 1.5T, MRT-1510, V3.6	Vantage Titan 1.5T, MRT-1510, V3.1	Vantage Titan 3T, MRT-3010, V3.5
Marketed By	Toshiba America Medical Systems	Toshiba America Medical Systems	Toshiba America Medical Systems
510(k) Number	This Submission	K150427	K152371
Clearance Date		April 17, 2015	October 23, 2015

15. REASON FOR SUBMISSION

Modification of a cleared device.

16. DEVICE DESCRIPTION

The Vantage Titan (Model MRT-1510) is a 1.5 Tesla Magnetic Resonance Imaging (MRI) System, previously cleared under K150427. This system is based upon the technology and materials of previously marketed Toshiba MRI systems and is intended to acquire and display cross-sectional transaxial, coronal, sagittal, and oblique images of anatomic structures of the head or body.

17. SUMMARY OF HARDWARE CHANGES

No change from the previous predicate submission, K150427.

18. SUMMARY OF SOFTWARE CHANGES

This submission is to report the following software functionalities have been added:

- UTE (Ultra Short TE) pulse sequence
- MP-RAGE pulse sequence
- T2:mEcho and T2*mEcho pulse sequence
- Improvements in MRS
- Multi b-value DWI
- NeuroLine+ (automatic positioning assistance for neuro)
- CardioLine+ (automatic positioning assistance for cardiac)
- SureVOI (automatic cardiac planning assistance)
- eFSBB (phase-enhanced FSBB filter)
- Temporal Filter

19. SAFETY PARAMETERS

Item	Subject Device: Vantage Titan 1.5T, V3.6	Predicate Device: Vantage Titan 1.5T, V3.1 (K150427)	Notes
Static field strength	1.5T	1.5T	Same
Operational Modes	Normal and 1 st Operating Mode	Normal and 1 st Operating Mode	Same
i. Safety parameter display	SAR dB/dt	SAR dB/dt	Same
ii. Operating mode access requirements	Allows screen access to 1 st level operating mode	Allows screen access to 1 st level operating mode	Same
Maximum SAR	4W/kg for whole body (1 st operating mode specified in IEC 60601-2-33(2010))	4W/kg for whole body (1 st operating mode specified in IEC 60601-2-33(2010))	Same
Maximum dB/dt	<1st operating mode specified in IEC 60601-2-33 (2010)	<1st operating mode specified in IEC 60601-2-33 (2010)	Same
Potential emergency condition and means provided for shutdown	Shut down by Emergency Ramp Down Unit for collision hazard for ferromagnetic objects	Shut down by Emergency Ramp Down Unit for collision hazard for ferromagnetic objects	Same

20. IMAGING PERFORMANCE PARAMETERS

No change from the previous predicate submission, K150427.

21. INDICATIONS FOR USE

The Vantage Titan system indicated for use as a diagnostic imaging modality that produces cross-sectional transaxial, coronal, sagittal, and oblique images that display anatomic structures of the head or body. Additionally, this system is capable of non-contrast enhanced imaging, such as MRA.

MRI (magnetic resonance imaging) images correspond to the spatial distribution of protons (hydrogen nuclei) that exhibit nuclear magnetic resonance (NMR). The NMR properties of body tissues and fluids are:

- Proton density (PD) (also called hydrogen density)
- Spin-lattice relaxation time (T1)
- Spin-spin relaxation time (T2)
- Flow dynamics
- Chemical Shift

Contrast agent use is restricted to the approved drug indications. When interpreted by a trained physician, these images yield information that can be useful in diagnosis.

No changes to the previously cleared indication, K150427.

22. SUMMARY OF DESIGN CONTROL ACTIVITIES

PS Risk List for new software functionalities and pulse sequences are included in this submission. The test methods used are the same as those submitted in the previously cleared submissions of the primary predicate device, Vantage Titan 1.5T, MRT-1510, V3.1 (K150427), and the reference predicate device, Vantage Titan 3T, MRT-3010, V3.5 (K152371). A declaration of conformity with design controls is included in this submission.

23. SAFETY

This device is designed and manufactured under the Quality System Regulations as outlined in 21 CFR § 820 and ISO 13485 Standards. The changes to this device are limited to the application software that is being presented for review. As the hardware and related safety considerations remain unchanged from the previous submission no information related to these aspects are presented for the determination of safety. Performance and/or clinical testing are being provided to demonstrate the safety and effectiveness of the application software.

This device is in conformance with the applicable parts of the following consensus standards published by the International Electrotechnical Commission (IEC) for medical devices and the National Electrical Manufacturers Association (NEMA).

LIST OF APPLICABLE STANDARDS

- IEC62304:2006
- IEC62366:2007

24. TESTING

Software Documentation for a Moderate Level of Concern, per the FDA guidance document, "Guidance for the Content of Premarket Submissions for Software Contained in Medical Devices Document" issued on May 11, 2005, is also included as part of this submission.

25. SUBSTANTIAL EQUIVALENCE

Toshiba Medical Systems Corporation believes that the Vantage Titan 1.5T, MRT-1510, V3.6 Magnetic Resonance Imaging (MRI) System is substantially equivalent to the previously cleared predicate devices referenced in this submission. Toshiba Medical Systems Corporation believes that the changes incorporated into the Vantage Titan 1.5T, MRT-1510, V3.6 software are substantially equivalent to the previously cleared predicate devices.

26. CONCLUSION

The modifications incorporated into the Vantage Titan 1.5T, MRT-1510, V3.6 software do not change the indications for use or the intended use of the device. Based upon bench testing, phantom imaging, volunteer clinical imaging, successful completion of software validation and application of risk management and design controls, it is concluded that the subject device is safe and effective for its intended use.



GE Healthcare

Date: 01-03-2017
Quote #: PR7-C81601
Version #: 2

Radiology Alliance
210 25th Ave N Ste 602
Nashville TN 37203-1631

Attn: Ms. Luginia Hill
210 25th Ave N Ste 602 Nashville
TN 37220

Customer Number : 1-25Q3XC
Quotation Expiration Date: 01-20-2017

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein, "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation.

No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties.

Governing Agreement:	None: Standard GEHC Quote Terms Apply
Terms of Delivery:	FOB Destination
Billing Terms:	100% billing at delivery
Payment Terms:	30 DAYS NET
Total Quote Net Selling Price:	\$109,720.00

INDICATE FORM OF PAYMENT:

If "GE HFS Loan" or "GE HFS Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Financial Services (GE HFS) to fund this arrangement after shipment.

☐ Cash/Third Party Loan
☐ GE HFS Lease
☐ GE HFS Loan
☐ Third Party Lease (please identify financing company) _____

By signing below, each party certifies that it (i) has received a complete copy of this Quotation, including the GE Healthcare terms, conditions and warranties, and (ii) has not made any handwritten or electronic modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE

Franklin Shipp 01-03-2017

Signature Date

Sales Manager - GI

Email: Franklin.Shipp@ge.com

Office: +1 864 612 8057

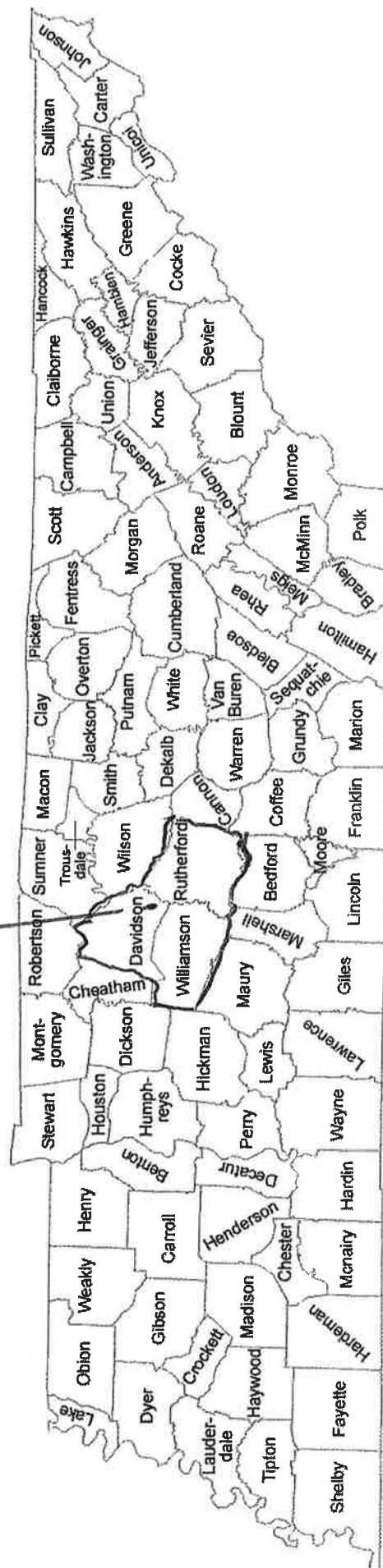
Mobile: 864-612-8057

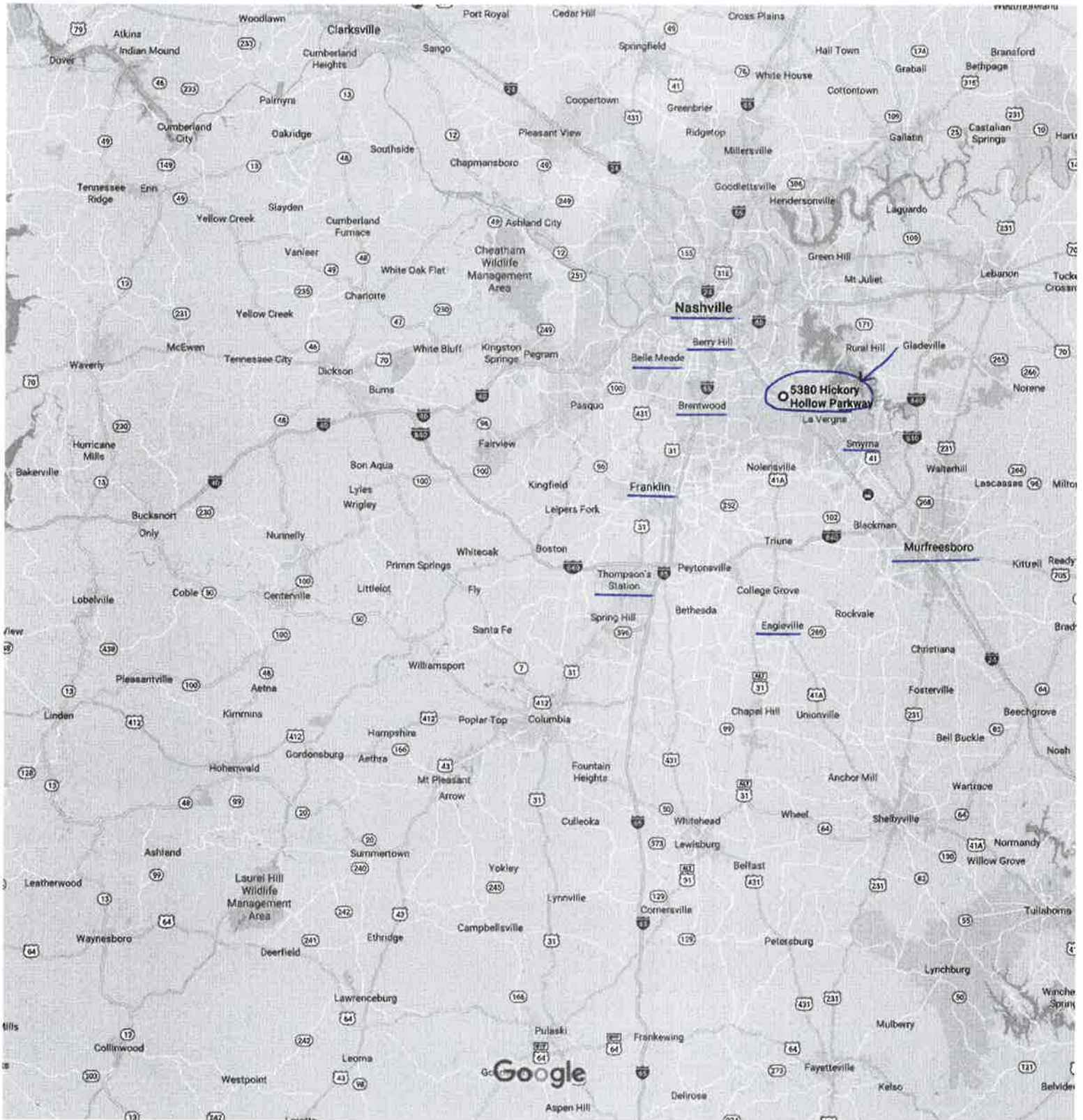
FAX: 864-752-1707

B-Need-3

Service Area Map

PRIMARY SERVICE AREA

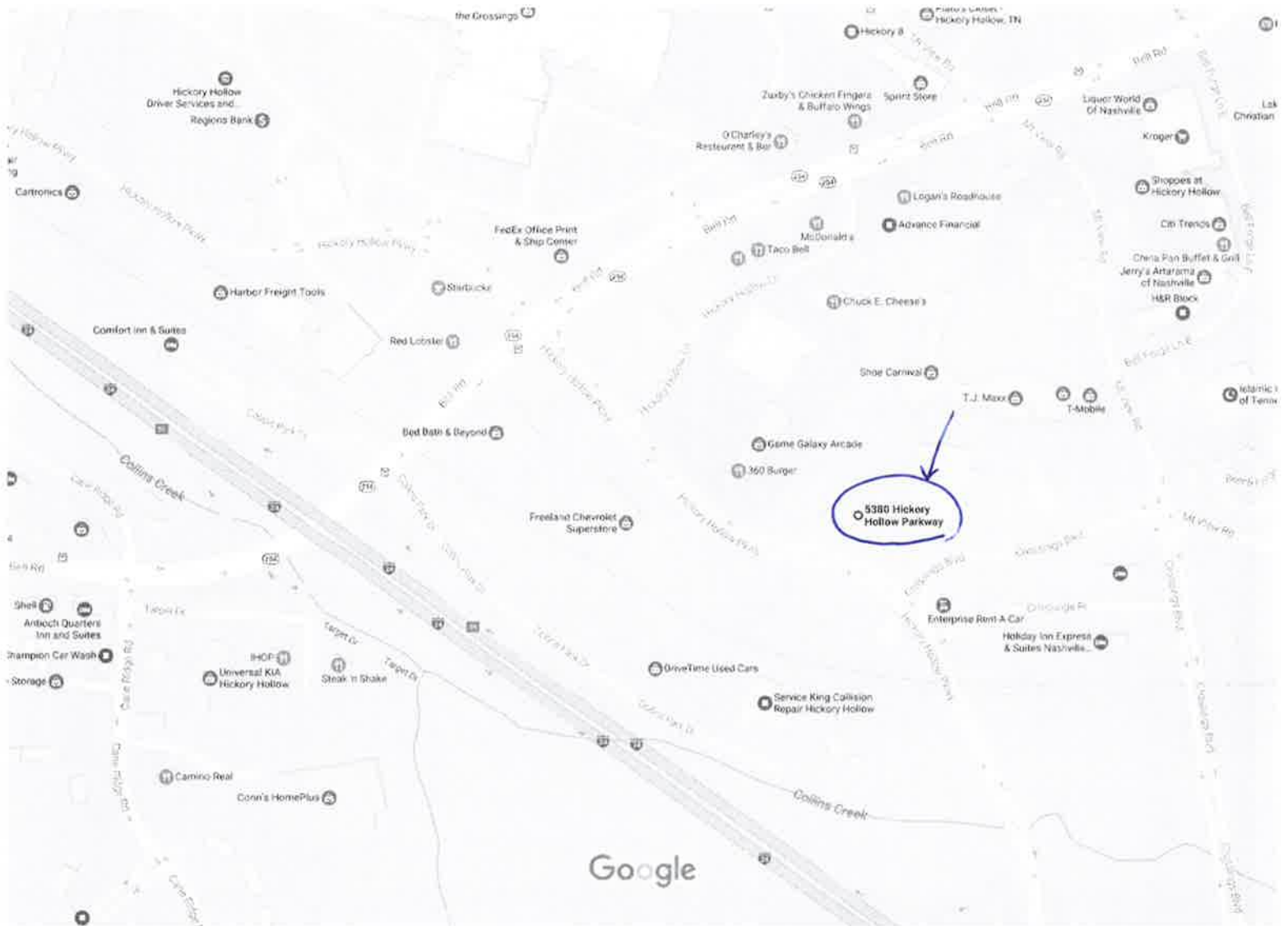




Map data ©2018 Google 5 mi

DELAYS

Light traffic in this area



B-Need-State Health Plan-6E

Medical Director Qualifications

Proposed Medical Director for Antioch ODC
J. Philip Moyers, MD, Radiology Alliance P.C.

Specialties

Diagnostic Radiology

Nuclear Medicine

Oncology Imaging

Dr. Moyers completed a double major with Highest Distinction at Indiana University College of Arts and Sciences in 1987, with a Bachelor of Science in Mathematics and a Bachelor of Arts in English Literature. He completed his diagnostic radiology residency program in 1995 at Vanderbilt University School of Medicine and a fellowship program in nuclear medicine in 1996 at the Mallinckrodt Institute of Radiology in St. Louis, Missouri. He was board certified by the American College of Radiology in 1995. Dr. Moyers has authored many journal articles and abstracts. He has special interests in interventional radiology and oncology imaging and performs nuclear therapy. He has served as the lead physician in the imaging department of Centennial Medical Center, and was the chair of Radiology Alliance's Quality Improvement Committee from 2013-2017. Outside of work, Dr. Moyers is an avid proponent of Hot Yoga and he sponsors students in the Mercy Ministries program.



The American Board of Radiology

Organized through the cooperation of the
American College of Radiology, the American Roentgen Ray Society,
the American Radiology Society, the Radiological Society of North America,
the Section on Radiology of the American Medical Association,
the American Society for Therapeutic Radiology and Oncology, the Association of
University Radiologists, and American Association of Physicians in Medicine

Thereby certifies that

John Philip Rogers, M.D.

Has pursued an accepted course of graduate study
and clinical work, has met certain standards and qualifications and
has passed the examinations conducted under the authority of
The American Board of Radiology

On this seventh day of June, 1935

Thereby recommending to the satisfaction of the Board
that he is qualified to practice the specialty of

Diagnostic Radiology



Charles H. Maynard, M.D. *William J. Smith, M.D.* *W. Paul Clegg, M.D.*
President Secretary Examiners

B-Economic Feasibility-1E

Documentation of Construction Cost Estimate

HFR DESIGN

214 Centerview Dr.
Suite 300
Brentwood, TN 37027
615-370-8500
hfrdesign.com

January 25, 2018

Kirk Hintz, CEO
Radiology Alliance
210 25th Avenue North, Suite 602
Nashville, TN 37203
(615) 312-0125

**RE: Certificate of Need Application
Outpatient Imaging Center**

To Whom It May Concern:

The project consists of major renovation in an existing medical office building to create an approximately 6,890 SF outpatient imaging center. Based on historical cost data of similar projects, we believe a reasonable total construction cost estimate for this project is \$1,963,678.25.

Additionally, this project will be designed and built to conform with all applicable codes referenced below.

- **State of TN Department of Health Code Requirements:**
 - 2012 International Building Code (IBC)
 - 2012 LSC - NFPA – 101 Life Safety Code
 - 2012 International Fire Code (IFC)
 - 2012 International Plumbing Code (IPC)
 - 2012 International Mechanical Code (IMC)
 - 2009 International Energy Conservation Code (IECC)
 - 2011 National Electric Code (NEC)
 - 2012 International Fuel Gas Code
 - 1999 North Carolina Accessibility Code with 2004 Amendments
 - 2010 ADA Americans with Disabilities Act Accessibility Guidelines
 - 2010 FGI (formally AIA) Guidelines for Design and Construction of Hospital and Health Care Facilities.
- **City of Nashville, TN Code Requirements:**
 - 2012 International Building Code (IBC) with local amendments
 - 2012 International Energy Conservation Code (IECC)
 - 2011 National Electrical Code (NEC) with local amendments
 - 2012 International Plumbing Code (IPC) with local amendments
 - 2012 International Mechanical Code (IMC) with local amendments
 - 2012 International Fuel Gas Code with local amendments
 - 2009 ANSI/A117.1 Accessible and Usable Buildings and Facilities
 - 2012 LSC - NFPA – 101 Life Safety Code
 - 2012 International Fire Code with local Amendments

Should you have any questions or require further information, please do not hesitate to contact our office.

Sincerely,



Martin L. Franks
Senior Vice President

pc: John Wellborn, Principal – Development Support Group
File

B-Economic Feasibility--2

Documentation of Funding/Financing Availability

May 14, 2018

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Antioch Outpatient Diagnostic Center

Dear Ms. Hill:

Tennessee Imaging Services, LLC, is filing an application to establish a licensed Outpatient Diagnostic Center with MRI and related imaging services, in southeastern Davidson County in Antioch, TN.

The estimated total capital expenditure needed to implement this project is approximately \$5,312,400. As the Senior VP/Chief Accounting Officer of MEDNAX, Inc. I am writing to confirm that we are prepared to fund and sustain this endeavor as described in the application. Our most recent financial statements are provided in the application.

Sincerely,



John Pepia
SVP & Chief Accounting Officer
MEDNAX, Inc.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2017

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from

to

Commission file number 001-12111

MEDNAX, INC.

(Exact name of registrant as specified in its charter)

FLORIDA
(State or other jurisdiction
of incorporation or organization)

1301 Concord Terrace, Sunrise, Florida
(Address of principal executive offices)

26-3667538
(I.R.S. Employer
Identification No.)

33323
(Zip Code)

Registrant's telephone number, including area code (954) 384-0175

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its Corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of shares of Common Stock of the registrant held by non-affiliates of the registrant on June 30, 2017, the last business day of the registrant's most recently completed second fiscal quarter, was \$4,785,069,881 based on a \$60.37 closing price per share as reported on the New York Stock Exchange composite transactions list on such date.

The number of shares of Common Stock of the registrant outstanding on February 9, 2018 was 93,795,535.

DOCUMENTS INCORPORATED BY REFERENCE:

The registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, with respect to the 2018 Annual Meeting of Shareholders is incorporated by reference in Part III of this Form 10-K to the extent stated herein. Except with respect to information specifically incorporated by reference in the Form 10-K, each document incorporated by reference herein is deemed not to be filed as part hereof.

MEDNAX, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except for per share data)

	Years Ended December 31,		
	2017	2016	2015
Net revenue	\$3,458,312	\$3,183,159	\$2,779,996
Operating expenses:			
Practice salaries and benefits	2,337,734	2,031,220	1,753,505
Practice supplies and other operating expenses	120,518	118,416	98,480
General and administrative expenses	417,105	372,572	305,915
Depreciation and amortization	102,879	89,264	64,228
Total operating expenses	2,978,236	2,611,472	2,222,128
Income from operations	480,076	571,687	557,868
Investment and other income	3,953	2,019	1,844
Interest expense	(74,559)	(63,092)	(23,110)
Equity in earnings of unconsolidated affiliates	952	3,185	3,127
Total non-operating expenses	(69,654)	(57,888)	(18,139)
Income before income taxes	410,422	513,799	539,729
Income tax provision	(90,050)	(189,203)	(204,038)
Net income	320,372	324,596	335,691
Net loss attributable to noncontrolling interests	—	318	629
Net income attributable to MEDNAX, Inc.	\$ 320,372	\$ 324,914	\$ 336,320
Per common and common equivalent share data:			
Net income attributable to MEDNAX, Inc.:			
Basic	\$ 3.47	\$ 3.52	\$ 3.61
Diluted	\$ 3.45	\$ 3.49	\$ 3.58
Weighted average common shares:			
Basic	92,431	92,422	93,077
Diluted	92,958	93,109	93,960

The accompanying notes are an integral part of these Consolidated Financial Statements.

Table of Contents

MEDNAX, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31,	
	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 60,200	\$ 55,698
Short-term investments	10,292	11,286
Accounts receivable, net	503,999	495,276
Prepaid expenses	15,584	11,051
Other assets	37,160	13,817
Total current assets	627,235	587,128
Restricted cash	20,000	—
Investments	80,682	78,975
Property and equipment, net	123,536	103,068
Goodwill	4,283,963	3,845,157
Intangible assets, net	639,928	668,529
Other assets	91,934	56,543
Total assets	<u>\$ 5,867,278</u>	<u>\$ 5,339,400</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 438,017	\$ 407,938
Current portion of long-term debt and capital lease obligations	1,401	22,054
Income taxes payable	92,007	18,957
Total current liabilities	531,425	448,949
Line of credit	1,110,500	783,500
Long-term debt and capital lease obligations, net	740,923	900,128
Long-term professional liabilities	212,274	173,080
Deferred income taxes	147,797	227,802
Other liabilities	57,905	45,174
Total liabilities	2,800,824	2,578,633
Commitments and contingencies		
Shareholders' equity:		
Preferred stock; \$.01 par value; 1,000 shares authorized; none issued	—	—
Common stock; \$.01 par value; 200,000 shares authorized; 93,721 and 93,718 shares issued and outstanding, respectively	937	937
Additional paid-in capital	1,017,328	974,304
Retained earnings	2,048,189	1,785,526
Total shareholders' equity	3,066,454	2,760,767
Total liabilities and shareholders' equity	<u>\$ 5,867,278</u>	<u>\$ 5,339,400</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

B-Economic Feasibility-6A

Applicant's Financial Statements

Tennessee Imaging Services, LLC
Balance Sheet
12/31/18

ASSETS

Cash	\$100,000
------	-----------

TOTAL ASSETS	\$100,000
---------------------	------------------

LIABILITIES AND PARTNERS' EQUITY

Capital	\$100,000
---------	-----------

TOTAL LIABILITIES AND PARTNERS' EQUITY	\$100,000
---	------------------

Tennessee Imaging Services, LLC
Income Statement
For the Year Ending 12/31/2018

REVENUE		\$0
EXPENSES		
Rent	\$ 212,628	
Legal Fees	<u>100,000</u>	
Total Expenses		<u>312,628</u>
NET INCOME (LOSS)		<u><u>\$ (312,628)</u></u>

B-Orderly Development-4B

TDOH and Joint Commission Findings and Corrections



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
2975 C HIGHWAY 45 BYPASS
JACKSON, TENNESSEE 38305-3608

August 16, 2016

Ms. Joann Flora
Specialty MRI
2018 Murphy Avenue, Suite 101
Nashville, TN 37203

RE: Annual Health Survey – 08/02/2016

Dear Ms. Flora:

We are pleased to advise you that no deficiencies were cited as a result of the annual health survey completed at your facility on August 2, 2016. The attached form is for your file.

If this office may be of any assistance to you, please do not hesitate to call (731) 984-9684.

Sincerely,

Rhonda Rogers

Rhonda Rogers, RN
Public Health Nurse Consultant 2

RR/bds

Enclosure: State Form 2567

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNPL55725	(X2) MULTIPLE CONSTRUCTION A. BUILDING: _____ B. WING: _____		(X3) DATE SURVEY COMPLETED 08/02/2016
NAME OF PROVIDER OR SUPPLIER SPECIALTY MRI		STREET ADDRESS, CITY, STATE, ZIP CODE 2018 MURPHY AVENUE, SUITE 101 NASHVILLE, TN 37203			
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE	
G 002	<p>1200-8-35 No Deficiencies</p> <p>This Rule is met as evidenced by: Annual licensure survey completed on 8/2/16 with not deficiencies cited. Facility in compliance with Outpatient Diagnostic Center regulations.</p>	G 002			

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE



American College of Radiology

Breast MR Imaging Services of

Specialty MRI, LLC

2018 Murphy Avenue
Suite 101
Nashville, Tennessee 37203

were surveyed by the
Committee on Breast MRI Accreditation of the
Commission on Quality and Safety

The following unit was approved
GEMS SIGNA EXCITE HD 2005

Accredited from:
September 22, 2016 through September 22, 2019

A handwritten signature in black ink, appearing to read "Eber Alvin MD".

CO-CHAIR, COMMITTEE ON BREAST
MRI ACCREDITATION

A handwritten signature in black ink, appearing to read "R E Hendrick".

CO-CHAIR, COMMITTEE ON BREAST
MRI ACCREDITATION

A handwritten signature in black ink, appearing to read "J. K. ...".

PRESIDENT, AMERICAN
COLLEGE OF RADIOLOGY

BMRAP# 00019-01



JoAnn Flora <jflora@radalliance.com>

RE: BMRAP 19 Site Visit Corrective Action Facility 53512

2 messages

Boston, Marion <mboston@acr.org>

To: JoAnn Flora <jflora@radalliance.com>

Thu, Nov 20, 2014 at 10:59 AM

Cc: Margaret Wright <mwright@radalliance.com>, Leigh Taub <ltaub@radalliance.com>

Jo Ann,

Thank you for your facility's corrective action documentation. It is considered acceptable and complete.

Have a great day.

Marion

Marion Boston
Assistant Director

American College of Radiology
1891 Preston White Dr.
Reston, VA 20191
800-770-0145 x 4976

703-880-0561 (fax)
mboston@acr.org

From: JoAnn Flora [mailto:jflora@radalliance.com]**Sent:** Thursday, November 20, 2014 11:42 AM**To:** Boston, Marion**Cc:** Margaret Wright; Leigh Taub**Subject:** BMRAP 19 Site Visit Corrective Action

Attached are the documents describing our action plan(s) and our corrected deficiencies.

Please call with any questions.

Thank you,

Jo Ann Flora

Charles Truwit, M.D.
Chair, Committee on Accreditation
American College of Radiology
1891 Preston White Drive
Reston, VA 20191-4397

SUBJECT: Facility ID# 53512, BMRAP 0019; Specialty MRI, LLC
Dear Dr. Truwit:

Please accept the following written action plan to correct the two deficiencies noted on our validation site survey report dated October 29, 2014.

Specialty MRI Corrective Action Plan

- I. Area of Deficiency – Physician- Peer Review Program Evaluation
 - A. Revise the current Peer Review Policy and Procedure to include a reviewer assessment of the agreement of the original report, classification of peer review findings with regard to level of quality concerns (e.g., 4-point scale), summary of statistic and comparisons for each physician by modality and also for your practice.

Status: Completed. Policy and Procedure was revised and approved on 11/17/14.
See attached policy

- B. Implement the revised Peer Review Policy and Procedures
Status- Implementation of the revised policy to be completed

11/23/14

- II. Area of Deficiency - Policy and procedures review
 - A. Revise the current Pregnancy Policy to include procedures to identify and manage pregnant, potentially pregnant or breast-feeding patients and having consent forms and notices posted.
 - B. Implement the revised Pregnancy Policy.

Status: Completed. Policy was revised and implemented on 11/03/14. See attached. Consent forms and notices were posted on 11/03/14.
See attached revised policy with forms and notices.

- III. Area for Recommendation
 - A. Consider merging Specialty MRI and Heritage Medical Associates MRI into one for accreditation purposes

Status: Specialty MRI and Heritage Medical Associates MRI should not be merged because they have separate Tennessee Certificate of Need Permits and ownership.

Sincerely,

Margaret Wright, MD
Medical Director of Specialty MRI



Validation On-Site Survey Report

October 29, 2014

PRIVILEGED and CONFIDENTIAL • PEER REVIEW
Code of Virginia 8.01-581.17

Margaret B. Wright, M.D.
Specialty MRI, LLC
2018 Murphy Ave.
Suite 101
Nashville, Tennessee 37203

SUBJECT: Facility ID# 53512, BMRAP 19; Specialty MRI, LLC

Dear Dr. Wright:

On October 7, 2014, an American College of Radiology (ACR) surveyor conducted a Validation On-Site Survey at your facility. The ACR understands that an on-site survey may be disruptive to your facility. The ACR conducts validation site surveys for accredited facilities to monitor compliance with accreditation standards and to meet the requirement of the Medicare Improvements for Patients and providers Act (MIPPA). In addition, the ACR uses this mechanism to provide assistance to your staff in areas where the facility may need help. In order to remain in good standing with the ACR Accreditation Programs, all facilities must maintain good quality for both clinical and phantom images. Facilities must also maintain adequate documentation of a quality control program.

Currently, your facility is not in compliance with the standards of the ACR Accreditation Programs. In order to maintain your accreditation in good standing with the ACR, you must take corrective action and send supporting documentation to the ACR for each of the deficiencies listed below. A written plan of action must be submitted to ACR within 30 days of this validation site survey report. Documentation of corrective action taken must be submitted to ACR within 60 days of this report.

Below is a summary of the deficiencies identified by the surveyor. Please review the report carefully and share pertinent aspects with all imaging physicians, technologists and medical physicists/MR scientists who work at your facility so that they may also benefit from this visit.

American College of Radiology Accreditation Programs List of Deficiencies

Area of Deficiency	Deficiency
Physician peer review program evaluation	Documentation that your peer review policy and procedure includes a reviewer assessment of the agreement of the original report, classification of peer review findings with regard to level of quality concerns (e.g., 4-point scale), summary of statistic and comparisons for each physician by modality and also for your practice.

Recommendations

Area for Recommendation	Recommendation
Policy and procedures review	Recommend having a policy on the identification and management of pregnant, potentially pregnant or breast-feeding patients.
Policy and procedures review	The ACR surveyor noted that this facility is in the same as Heritage Medical Associates, PC with a MRI accreditation. Please contact the ACR at 800-770-0145 to discuss possibly merging these two facilities.

We do appreciate the time your staff devoted to spending with our surveyor. In order for the ACR to improve our service to accredited facilities, we would like to hear from you and your staff. Please take a few minutes to complete the enclosed evaluation form and return it at your earliest convenience. We recognize your ongoing commitment to providing quality services for the patients of your community and hope that this direct interaction between the ACR surveyor and your staff was helpful.

Finally, please be aware of the following requirements for facilities accredited with the ACR. As soon as possible, you must update your records on your accreditation home page if your facility:

1. Changes in **supervising physician** (i.e., lead interpreting physician), **facility name**, **owner** or **address**.
2. Changes (i.e., removes, adds or replaces) units so that we may advise you of the appropriate required testing to maintain accreditation.
3. Changes to your Medicare Enrollment number and/or National Provider Identifier (if applicable).
4. Is permanently closing.

Please call the ACR at (800) 770-0145 if you have any questions about your validation survey report.

Sincerely,



Charles Truwit, M.D.
Chair, Committee on Accreditation

Validation On-Site Survey Evaluation

Facility Name: Specialty MRI, LLC
Facility Address: 2018 Murphy Ave.
Suite 101
Nashville, Tennessee 37203

Date of On-Site Survey: October 7, 2014

Please circle the number which best describes your assessment of the ACR survey:

1=Poor 2=Fair 3=Satisfactory 4=Good 5=Excellent

1. ACR Surveyor:

1. Knowledge of accreditation process	1	2	3	4	5
3. Effectiveness as an evaluator	1	2	3	4	5
3. Communication/discussion techniques	1	2	3	4	5

2. Final Report:

1. Did the final report reflect the content of discussion	1	2	3	4	5
2. Usefulness of the information	1	2	3	4	5
3. Effectiveness of this survey	1	2	3	4	5

General Comments:

PLEASE NOTE: ANY COMMENTS MADE ARE CONFIDENTIAL AND WILL NOT HAVE ANY BEARING ON YOUR ACCREDITATION STATUS.

Please print name of individual completing this form, date, and telephone number (including area code).

Name/Title

Date

Telephone Number

Please mail or fax your completed form to:

**Marion Boston
Assistant Director, Accreditation Validation Surveys
American College of Radiology
1891 Preston White Drive
Reston, VA 20191-4397
Fax: 703-880-0561**

Miscellaneous Information

1. Proof of Publication

2. Emergency Response Protocols

APPLIANCE SET White Admiral Stove
(Made by Maytag) & 30" Braun Vent
Hood \$250 (615) 481-4787

CASH FOR JUNK CARS. Any condi-
tion. No title needed. \$1-500.
(615) 935-5023 Joniten119@gmail.com

CEMETERY LOT. 1 lot at Woodlawn
on Thompson Ln. in Everlasting
Garden Life area. (retails for \$6,000)
asking \$3,000. Call 615-418-7532

**Countertop (butcher block look) &
Stainless Steel Sink, 84" left of corner
62" right of corner. \$100. (615) 481-4787**

KILL BED BUGS! Buy Harris Bed Bug
Killers/KIT Complete Treatment
System. Available: Hardware Stores,
The Home Depot, homedepot.com



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SHOULDN'T BE WORK.

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0002913748

**NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED**
This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Antioch Outpatient Diagnostic Center (a proposed Outpatient Diagnostic Center), to be owned and managed by Tennessee Imaging Services, LLC (a limited liability company), intends to file an application for a Certificate of Need to establish an Outpatient Diagnostic Center, to acquire MRI equipment and initiate MRI services, and to provide CT scanning and other diagnostic imaging services, in leased space at 5380 Hickory Hollow Parkway, Suites 101-11, Antioch, TN 37013, at a capital cost estimated for CON purposes at \$8,800,000, including lease payments for seven years. The project will seek licensure by the Board for Licensing Health Care facilities as an Outpatient Diagnostic Center (ODC). The project does not contain any other type of major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements. The anticipated date of filing the application is on or before May 15, 2018. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022. Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

TENNESSEAN.COM

THURSDAY, MAY 10, 2018

9C

Administration of Justice					
Law Enforcement and Care of Prisoners	67,647,900	0	0	0	67,647,900
Fire Prevention and Control	273,030,500	481,000	481,000	0	273,030,500
Regulation, Inspection, & Economic Development	58,625,500	70,014,200	0	0	128,639,700
Social Services	45,938,600	2,898,100	0	0	48,836,700
Health and Hospitals	7,919,900	0	0	0	7,919,900
Public Library System	93,042,400	0	0	0	93,042,400
Recreational, Cultural, Conservation & Community Support	31,240,700	0	0	0	31,240,700
Infrastructure and Transportation	60,192,500	350,000	0	0	60,542,500
Transfers	83,225,100	24,760,700	0	0	107,985,800
GENERAL FUNDS TOTAL	34,069,800	0	0	0	34,069,800
DEBT SERVICE FUNDS	\$969,874,000	\$123,013,900	\$481,000	\$1,092,406,900	
SCHOOL OPERATING FUND	273,119,400	19,657,300	0	0	292,776,700
TOTAL APPROPRIATIONS BY DISTRICT	884,299,700	0	0	0	884,299,700
Less GSD Interfund Transfer - GSD Operating to GSD Debt	\$2,127,293,100	\$142,671,200	\$481,000	\$2,269,463,300	
Less GSD Interfund Transfer - Schools to GSD General	(\$37,591,100)	\$0	\$0	(\$37,591,100)	
NET APPROPRIATION BY DISTRICT	(192,000)	0	0	(192,000)	
	\$2,089,510,000	\$142,671,200	\$481,000	\$2,231,700,200	
Estimated Unencumbered Beginning & Appropriated Fund Balances					
This schedule is presented for information purposes only.					
Fund	Estimated Unencumbered Fund Balance June 30, 2018	Appropriated for use in FY 2019 Budget	Estimated Unencumbered Fund Balance June 30, 2019	Estimated June 30, 2019 Balance as a Percent of FY '18 Budget	Fiscal Year 2019
GENERAL SERVICES DISTRICT:					
General Fund	\$46,714,100	\$8,350,000	\$38,364,100	4.0%	
Debt Service Fund	\$5,944,800	\$0	\$5,944,800	3.5%	
Schools Fund	\$30,145,400	\$0	\$30,145,400	3.4%	
Schools Debt Service Fund	\$5,889,900	\$550,000	\$5,339,900	5.1%	
URBAN SERVICES DISTRICT:					
General Fund	\$5,463,000	\$500,000	\$4,963,000	4.0%	
Debt Service Fund	\$449,500	\$0	\$449,500	2.3%	
Elizabeth Waites, Metropolitan Clerk					

Tennessee.com/classifieds or Call 615-242-SALE

pets

Emergency Management Plan For Antioch Center

- I. Introduction and Processes
- II. Reviewed Types of Emergencies
- III. Biological Materials Accident Procedures
- IV. Fire Procedures
- V. Severe Weather Procedures
- VI. Health Emergency Procedure
- VII. Utility Failure Procedures
- VIII. Emergency Contact List
- IX. Universal Precautions

I. Introduction and Processes

Emergency Management Plan for Antioch Center

Purpose: To protect patients, visitors, personnel and property from harm during an emergency by minimizing physical and health hazards.

Objectives: To take advance actions; to reduce the chances of an emergency from occurring; to minimize the effect of an emergency should one occur and to establish flexible emergency response and recovery plans.

Responsibilities: The Chief Technologist/ Site Manager is responsible for coordinating, evaluating and modifying the emergency plans as well as educating the facility personnel about the plan.

Emergency Preparedness Management Processes:

1. Hazard Vulnerability – In a review of types of emergency in Section II, the following emergencies are considered to be the most probable in our location and have the greatest potential to impact the facility.
 - a. Accidents/incidents associated with the handling of biological materials, e.g. contamination from biological waste
 - b. Fire
 - c. Severe weather occurrences, e.g. tornadoes
 - d. Patient health emergencies requiring emergency transportation
 - e. Utility Failure
2. Plan Activation – The Chief Technologist/ Site Manager decides when to implement emergency procedures. In the absence of the Chief Technologist/ Site Manager, the next senior staff member present assumes responsibility for the procedures.
3. External Authorities Notification – In an emergency, the external authorities that may need to be notified are:
 - a. Fire Department
 - b. Police Department
 - c. Emergency Medical Services
 - d. Radiology Alliance

The Chief Tech/ Site Manager determines the organizations and the order in which they are notified. The corporate office will be responsible for communications with the news media.

4. Facility Evacuation

- a. Evacuation procedures to be followed are dictated by the nature of the disaster and the extent of damage to the facility. The Chief Tech/ Site Manager will issue evacuation orders. In the event of imminent danger, the tech or doctor in charge may authorize the immediate evacuation of the affected area.
 - b. The evacuation routes are through the front exterior entrance or through the back exit.
 - c. Upon completion of the evacuation, all rooms are searched to assure that all individuals have evacuated. Responsible persons are placed with evacuees for reassurance and to prevent confused individuals from re-entering the dangerous area.
5. Transfer of patients, visitors or personnel by emergency transportation
 - a. In the event of a health emergency, the physician with the Chief Tech/ Site Manager on site works to stabilize the patient and make the request for a call to be placed to 911 for an ambulance.
 - b. As soon as practical, the relatives of the patient are notified of the patient's new location and general condition.
6. Recovery and Restoration – Recovery under the direction of the Chief Tech/ Site Manager begins once the response phase is concluded. The recovery phase includes:
 - a. Establishing priorities for resuming operations.
 - b. Assessing hazards/damage and ensuring safety and security of people, equipment and property.
 - c. Documenting damage and disaster related costs and initiating repairs/replacement
 - d. Conducting crisis counseling for employees.
 - e. Debriefing to identify procedures that require improvement.
7. Incident Reports – All accidents and incidents must be reported on a corporate Incident/Accident Report Forms. The original report is submitted to the Radiology Alliance office of human resources and a copy is kept on file at the facility. The report should include:
 - a. Cause of incident/accident
 - b. Description of incident/accident
 - c. Person(s) involved
 - d. Resolution actions that were taken
 - e. Actions taken to prevent recurrence

Certain “unusual events” must be reported to the state per the Health Data Reporting Act of 2002. See Director of Health Care Facilities memo in **Attachment C**.

8. Orientation and Education Program – The Emergency Management Plan is reviewed with every new employee as part of their orientation. During this

orientation, they are given instruction about their roles and responsibilities during emergencies. Annually, refresher training is given and documented for existing employees.

9. Evaluation – The plan is based on monitoring and evaluation of organizational experience, applicable law and regulation and accepted practice. The plan is reviewed and evaluated on an annual basis or more frequently as needed by the Chief Tech/ Site Manager and the Safety Officer.
10. Fire safety, tornado/severe weather and earthquake disaster procedure plans should be exercised annually.

II. Reviewed Types of Emergencies

Severe Weather – tornadoes, hurricanes, hailstorms, blizzards, ice storms, droughts, or extreme heat/cold temperatures

Geological Disasters – landslide, avalanches, floods, forest fires, earthquakes or volcano

Biological Disasters – communicable disease epidemics, mass food poisoning, water contamination or insect swarms

Warfare – nuclear, biological and chemical attacks or bombardment, blockage or siege

Civil Disasters – riots and demonstrations or strikes

Criminal/Terrorist Actions – bomb threat, nuclear, biological or chemical attacks, hostage incidents or human abduction

Accidents – transportation, structural collapse of building, explosions, fires, chemical or biological spills and releases or mass casualties

Utility failure – electricity/emergency power, water/sewage, heating, ventilation and air conditioning or communication

Note: Procedures are included in this plan for emergencies that are highly probably for our geographic location in Antioch, Tennessee. Preparedness procedures for fire, severe weather and geological disasters should be exercised annually.

III. Biological Materials Accident Procedures

Strict adherence to safety rules and precautions is the most effective way to

prevent accidents and incidents. The Centers for Disease Control and Prevention's Universal Precautions are followed to minimize the transmission of blood-borne pathogens to health-care workers. See page 14 for additional information about Universal Precautions.

The purpose of Universal Precautions (U. P.) is to minimize the transmission of blood-borne pathogens to health-care workers. The technologists are responsible for biological hazards and should use every precaution to prevent accidents and spills. Infections may be spread by several means of contamination with blood or body fluids. These include ingestion from unwashed hands, aerosol production through coughs, direct inoculation through needle sticks or skin contact through cuts or scratches.

In the event of a spill or direct inoculation, follow these procedures:

Blood of body fluid spill contaminations on surfaces /equipment:

1. Flood the area with disinfectant solution.
2. Soak up the disinfectant and contaminated material with an absorbent material (paper towels) and dispose of in a plastic bag or sealed container. Gloves should be worn for clean up.
3. Spill area should be thoroughly washed after clean up.
4. Dispose of as infectious waste in the appropriate receptacle.

Direct Inoculation through needle sticks, aerosol or breaks in the skin:

1. If the exposure is mucosal or the wound is large enough to irrigate, irrigate with copious amounts of saline or other clean fluid. Needle sticks and cuts should be washed with soap and water. Eyes should be irrigated with saline or clean water.
2. Notify the Chief Tech/ Site Manager and immediately report to the closest emergency department or urgent care center listed on the posted list of Worker's Comp panel of treatment locations. The ER or urgent care center will determine the HIV exposure risk and determine the need for tetanus and/or hepatitis prophylaxis as well as the need for HIV follow up or chemoprophylaxis following CDC recommendations.
If the exposure is a result of contamination from a known patient, the source patient will be contacted, preferably on the day of exposure, and asked to submit to a HIV/Hepatitis screening test at the expense of the facility. Arrangements will be made for the testing at the patient's physician's office or an independent testing facility. All test results will be kept confidential.
3. The Chief Tech/ Site Manager will complete the Blood Born Pathogen (BBP) incident form and obtain a source consent form. **See Attachment E** for these forms.

IV. Fire Procedures

In the event of fire, the following procedures must be followed:

1. Remove, if possible, person(s) in immediate danger.
2. Sound alarm- manual pull stations are located by all exits.
3. Close all doors, if possible to slow the spread of smoke and fire.
4. Follow evacuation procedures.
5. Do not panic and remain calm.
6. Fighting Fire – No fire should be taken lightly. If you think you can extinguish the fire, do so, using the appropriate extinguisher. Use only one extinguisher. If you cannot control the fire, leave the fire fighting to the appropriate persons: e. g. the fire department.
7. Control of Fire
 - A. As mentioned in #6, you are allowed one extinguisher to put out a fire, but you are not required to do so.
 - B. Evaluate the fire.
 1. Solid combustibles (wood, paper and trash) are Class A fires and should be extinguished with pressurized water extinguishers or multi-purpose dry chemical extinguishers (ABC). The ABC extinguishers have a reach of approximately 6'-8'.
 2. Flammable liquids (ether, hexane alcohols) are Class B fires and should be controlled with a dry chemical (ABC) extinguisher or a CO2 extinguisher.
 3. Electrical fires of Class C fires are best extinguished by removing the source of electricity. Switching off the power from the outlet or circuit breaker will remove the electrical component of the fire. The appropriate extinguishers to use in cases of an electrical fire are a dry chemical (BAC) or Co2 extinguisher.
8. Fire Safety Equipment
 - A. Dry chemical (ABC) extinguishers are located in the break room and in the MRI control room and can be used on all fires. These extinguishers are serviced annually and checked monthly by the center's site manager. Blankets may be used to smother a

clothing fire by wrapping the victim or rolling them around on the ground.

9. Facility fire alarm, fire extinguisher and evacuation map (will be available after the build-out)

V. Severe Weather and Geological Disaster Procedures

Depending on the severe weather conditions or geological disasters, the following procedures should be followed. Only procedures for those conditions that are most likely to occur in our area are described.

Tornado Warning

1. Patients and staff should take cover in the “patient on deck” room located in the middle of the facility until the weather threat has past.
2. If possible the glass of the exterior door should be covered with masking tape in a criss-cross fashion to minimize the movement of shattered glass.

Ice Storms/ Blizzards

1. The Chief Tech/ Site Manager will make a determination when to close the center and dismiss employees.
2. Once the determination to close has been made, patients with appointments will be notified and given the opportunity to reschedule before the center is closed.

Earthquake

1. Earthquakes usually strike without warning.
2. In the event of an earthquake, the staff should know to DROP, COVER AND HOLD ON! They should only move a few steps away from windows and exterior walls. If possible, they should sit on the floor against an interior wall away from windows, bookcases or tall furniture that could fall.
3. It is likely that the fire alarms and sprinklers will go off during an earthquake, but the staff must remain calm.
4. Once the shaking has stopped the Chief Tech/Site Manager will make sure that the patients and the employees are okay and then make sure that it is safe to exit the building.
5. Once everyone is out of the building, they will be assessed for injuries and first aid will be administered if necessary. Only use the phone to report life-threatening emergencies.
6. Expect aftershocks. Each time one occurs, everyone should DROP COVER AND HOLD ON!
7. Small fires should be extinguished and the gas should be turned off if there is a smell of a gas leak.

VI. Health Emergency Procedures

In the event of a health emergency:

- A. The tech (Basic Life Support certified) will immediately notify the onsite physician or notify the receptionist to call for the onsite physician. The tech will stay with the patient and begin to evaluate the patient's condition.
- B. The tech and/or physician will evaluate the patient's condition, authorize notification of the emergency medical services and take action to stabilize the patient until the EMS support team arrives to transport the patient to the closest emergency facility. The physician or the tech under the direction of the physician can defibrillate or administer emergency drugs.
- C. The site maintains a minimum emergency supply kit (see following list). This kit is maintained by the Chief Tech who checks the kit at the beginning of each month for expired drugs and signs and dates a signature log when the kit is checked.
- D. An AED (automated external defibrillator) is stored in the technologist's area in the facility. The unit is checked periodically and the batteries are changed upon manufacturers' recommendations. Also the electrode pads are replaced based on their expiration dates. All technologists are trained to use the AED during our BCLS class.

EMERGENCY SUPPLY LIST

Contents of Emergency Box

1. Medications

- a. 2 of Epinephrine 1:1,000
- b. 2 of Benadryl 50 mg IV (Diphenhydramine Hydrochloride – 1ML SDV 25/Box
- c. 1 of Benadryl 50 mg PO (Diphenhydramine Hydrochloride – 50MG CAP UD 100/bx
- d. 1 of Nitrostat 0.4MG 25S
- e. 5 of Zantac 75MG
- f. 1 of Combivent Inhaler 14.7 G
- g. 2 of Atropine Sulfate 1MG 21G 10ML
- h. 2 of Epinephrine 1:10,000
- i. 2 of Lidocaine 2% syr 21G 5ML
- j. 2 of Dextrose 50% Ansyr 10/BX
- k. 1 of Solu Medrol 40MG 1ML
- l. IV Fluid

2. Airway Management Items

- a. Adult ambu bag, mask and tubing
- b. 2 of Oral airway, Berman Med 90 MM
- c. 4 of Nasal cannula, CVD Flare Tip
- d. 1 of CPR Microshield

Oxygen Tank with nasal cannulas and extension tubing

Defibrillator – CardioVive AT

VII. Utility Failure Procedures

Following is a grid of the utility systems and the action to be taken in the case of system failure.

Failure of	What to expect	Who to contact	Responsibility of user
Computer System	System Down	IT Department	Use back up manual/paper system
Dictaphone	System Down	IT Department &	Initiate temporary backup system
Electrical Power Failure	Failure of electrical systems	Nashville Electrical Service, IT Department & Freeland Management	Use flashlights; discontinue patient testing
Fire Alarm System	No fire alarms	Freeland Management & Southeastern Sound	Minimize fire hazards; use phone or runner to report fire emergency
MRI Scanner	Equipment does not function properly	Vendor	Discontinue use of equipment; notify and reschedule patients as appropriate
Sewer Stoppage	Drains backing up	Freeland Management	Do not flush toilets; do not use water from taps
Domestic Water	Sinks & toilets inoperable	Freeland Management	Conserve water; do not flush toilets
Ventilation	No ventilation, no heating or cooling	Freeland Management	Use blankets as needed; use portable fans
Telephones	No telephone service	IT Department	Use cellular phones or runners as needed

VIII. Emergency Contact List

Problem	Company	Phone #	Contact Person/Rep
Alarm Monitoring	ADS	615-269-4448	Ted Chapman
Alarm Maintenance	Southeastern Sound	615-860-8000	Russ Staples
Architecture	Hart Freeland Roberts, Inc.	615-370-8500	Martin Franks
Computer Systems	Radiology Alliance	338-5955	IT Help Desk
Contaminated Waste	Medi-Waste Solutions.	615-844-6151	Clint Steward
Door (Entrance)	Freeland Management	615-731-9488 615-731-1137	Jenean Coleman Jane Yokell
Electricity Outage	Nashville Electric Service Freeland Management	615-234-0000 615-731-9488	Jenean Coleman
Exterminator	Mack's Pest Control	615-227-3563	Receptionist
Housekeeping	E.P.A.	615-553-9446	Robert Jenkins
HVAC	Freeland Management	615-731-9488	Jenean Coleman
Plumbing	Freeland Management	615-731-9488	Jenean Coleman
Water Emergencies	Metro Water Services Freeland Management	615-862-4800 615-731-9488	Jenean Coleman
Telephones	Radiology Alliance	615-714-5647	Carter Scott
Trash	BFI Trash Service	615-244-6250	Debbie ext. 192
Water Emergencies	Metro Water Services Freeland Management	862-4800 615-731-9488	Jenean Coleman

Key Contacts

Site Manager

Luginia Hill (C) 615-854-4834

Radiology Alliance

Vicki Hill (W) 615-312-0128, (C) 931-237-1065

IX. Universal Precautions

Strict adherence to safety rules and precautions is the most effective way to prevent accidents and incidents.

The purpose of Universal Precautions (U. P.) is to minimize the transmission of blood-borne pathogens to health-care workers. In 1987, the Center for Disease Control (CDC) published Recommendations for Prevention of HIV Transmission in Health-Care Settings. The recommendations contained in this document consolidate and update CDC recommendations for preventing Human Immune Deficiency Virus (HIV) transmission in health-care settings. The application of “universal blood and body fluid precautions” to all patients is required of health care workers, as medical history and examination cannot reliably identify all patients infected with HIV or other blood borne pathogens. Universal Precautions include the use of appropriate barrier precautions to prevent skin and mucous membrane exposure when contact with blood or other body fluids or any patient is anticipated.

A. Gloves

1. For touching blood and body fluids
2. For handling items or surfaces soiled with blood or body fluids
3. For performing venipuncture or finger sticks
4. For all invasive procedures
5. Changed after each patient contact

B. Gowns

1. For procedures likely to generate splashes of blood or other body fluids

C. Hands

1. Immediately washed if contaminated with blood or body fluids
2. Washed after gloves removed

D. Sharps

1. Used needles/sharps will not be recapped or clipped in any manner
2. All used needles/sharps are to be placed in the appropriate puncture-resistant container for proper disposal

E. Resuscitation

1. To minimize the need for emergency mouth-to mouth resuscitation, ventilation devices are available and should be used when resuscitation is required.

F. Employee Health

1. Refrain from direct patient care when experiencing exudative lesions or weeping dermatitis
2. Pregnant healthcare workers are not known to be at greater risk of contracting HIV infection than non-pregnant healthcare workers; however, if a healthcare

worker develops HIV infection during pregnancy, the infant is at risk of infection resulting in parental transmission. Because of this risk, pregnant healthcare workers should be especially familiar with and strictly adhere to precautions to minimize the risk of HIV transmission.

3. To prevent the spread of Mycobacterium Tuberculosis the following actions will be taken:
 - A. The site manager will complete an annual TB Risk Assessment Worksheet for the site (**See Attachment B**).
 - B. All staff members will complete an annual risk assessment (**See Attachment A**). Staff members with yes answers to the risk factors are candidates for tuberculin testing, unless there is written documentation of a previous positive TST (tuberculin skin test) or QFT (QuantiFERON-TB blood test).
 - C. All technologists will receive baseline TB screening using the two-step TST.
 - a. After baseline testing, additional TB screening is not necessary unless an exposure to M. tuberculosis occurs.
 - b. If an employee's baseline testing is positive or a newly positive test results from TB infection, the employee should receive one chest radiograph result to exclude TB disease. Repeat radiographs are not needed unless symptoms or signs of TB disease develop or unless recommended by a clinician.
 - c. Employees with confirmed infectious TB pose a risk to patients and others and will be excluded from the workplace and not allowed to return to work until the following criteria have been met.
 1. Three consecutive sputum samples collected 8-24 hours apart that are negative for acid-fast bacilli, with at least one sample being from an early morning specimen because respiratory secretions pool overnight.
 2. The person has responded to anti-tuberculosis treatment that will probably be effective based on susceptibility results.
 3. The person is determined to be noninfectious by a physician knowledgeable and experienced in managing TB.
4. All employees will be given the option to be vaccinated for Hepatitis B.
5. The Tennessee Department of Health requires that certain diseases and events that are declared to be communicable and/or dangerous to the public must be reported to them. **See Attachment D** for the Report Form and list of reportable diseases and events.

Attachment A

TB Risk Assessment

Persons with any of the following risk factors are candidates for tuberculin testing, unless there is written documentation of a previous positive TST(tuberculin skin test) or QFT (QuantiFERON-TB blood test).

Risk Factor	YES	NO
Recent close or prolonged contact with someone with infectious TB disease		
Foreign-born person from or recent traveler to high-prevalence area		
Chest radiographs with fibrotic changes suggesting inactive or past TB		
HIV infection		
Organ transplant recipient		
Immunosuppression secondary to use of prednisone (equivalent of ≥ 15 mg/day for ≥ 1 month) or other immunosuppressive medication such as TNF- α antagonists		
Injection drug user		
Resident or employee of high-risk congregate setting (e.g., prison, LTC facility, hospital, homeless shelter)		
Medical conditions associated with risk of progressing to TB disease if infected (e.g., diabetes mellitus, silicosis, cancer of head or neck, Hodgkin's disease, leukemia, and end-stage renal disease, intestinal bypass or gastrectomy, chronic malabsorption syndrome, low body weight [10% or more below ideal for given population])		
Signs and symptoms of TB		

The information above is true and complete to the best of my knowledge, and I am aware that deliberate misrepresentation may jeopardize my health

Printed Name: _____

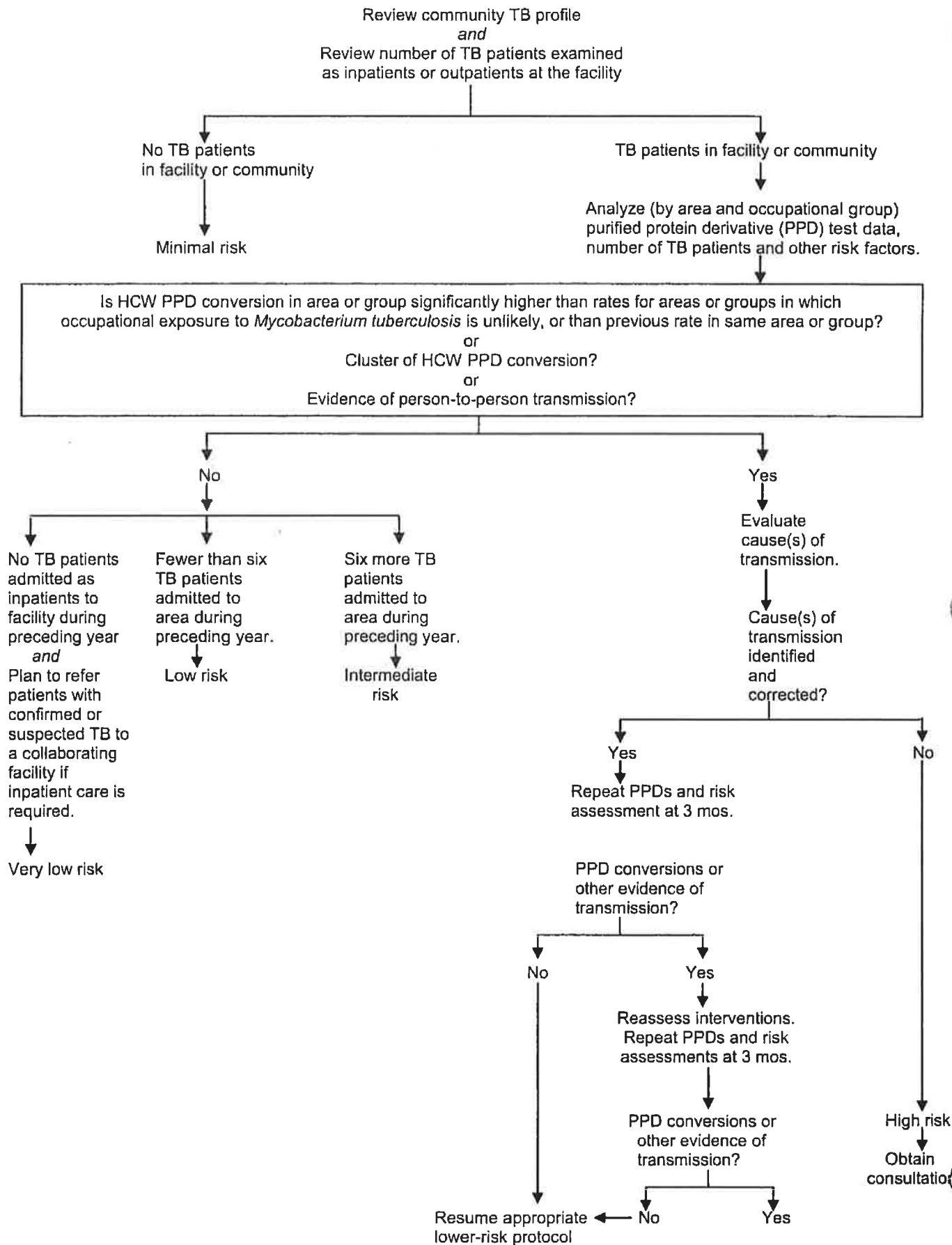
Signature: _____

Date: _____

Adapted from a form developed by Minnesota Department of Health TB Prevention and Control Program

Attachment B

Protocol for Conducting a Tuberculosis Risk Assessment



Attachment C

Rec'd 6/5-09



TENNESSEE DEPARTMENT OF HEALTH
BUREAU OF HEALTH LICENSURE AND REGULATION
DIVISION OF HEALTH CARE FACILITIES
227 FRENCH LANDING, SUITE 501
HERITAGE PLACE METROCENTER
NASHVILLE, TN 37243
TELEPHONE (615) 741-7221
FAX 615-741-7051
www.tennessee.gov/health

MEMORANDUM

DATE: June 8, 2009
TO: All Providers
FROM: Vincent L. Davis, Director
Health Care Facilities
SUBJECT: UIRS

A handwritten signature in black ink, appearing to read "V. Davis", is written over the "FROM:" line of the memorandum.

Please be advised that effective May 27, 2009, the Health Data Reporting Act of 2002 was amended by Public Chapter 318. The new law provides that all licensed health care facilities are no longer required to report "unusual events" as the term was defined in the 2002 Act, but that each facility, except for those facilities required to report abuse, neglect or misappropriation pursuant to federal laws and rules (42 CFR §483.13), shall only report incidents of abuse, neglect, and misappropriation that occur at the facility to the Department. The facility is required to make the report within seven (7) business days from the date that the facility identifies the incident. The new law removes the requirement that the facility shall submit a corrective action report to the Department. Although reporting requirements for facilities have been changed, the Department is still required to investigate the incidents of abuse, neglect or misappropriation reported to the Department as complaints for certification purposes.

The new law did not change the requirements contained in the 2002 Act that require all licensed health care facilities to report the following to the Department: strike by the staff at the facility; external disaster impacting the facility; disruption of any services vital to the continued safe operation of the facility or to the health and safety of its patients and personnel; and fires at the facility that disrupt the provisions of patient care services or cause harm to the patients or staff, or that are reported by the facility to any entity, including but not limited to a fire department charged with preventing fires. These incidents must be reported to the Department of Health within seven (7) business days after the facility becomes aware of the incident.

Attachment D



Tennessee Department of Health Reportable Diseases and Events

The diseases and events listed on the back of this report are declared to be communicable and/or dangerous to the public and are to be reported to the local health department by all hospitals, physicians, laboratories, and other persons knowing of or suspecting a case in accordance with the provision of the statutes and regulations governing the control of communicable diseases in Tennessee. For more specific details, download the Reportable Diseases and Events Manual (<http://health.state.tn.us/dsh/communicable>). If further guidance is needed, contact Communicable and Environmental Disease Services at (615) 741-7247 or (800) 404-3000.

Disease/Event Code:	
Demographics	<p>Patient Name: _____</p> <p>Date of Birth: ____/____/____ Race: <input type="checkbox"/> American Indian / Alaskan <input type="checkbox"/> Asian <input type="checkbox"/> Black / African American <input type="checkbox"/> Hawaiian / Pacific Islander <input type="checkbox"/> White <input type="checkbox"/> Other (_____) </p> <p>Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female</p> <p>Ethnicity: <input type="checkbox"/> Hispanic <input type="checkbox"/> Not Hispanic</p> <p>Street Address: _____</p> <p>City: _____ State: _____</p> <p>County: _____ Zip Code: _____</p> <p>Phone: (____) _____</p>
Clinical Information	<p>Onset Date: ____/____/____</p> <p>Hospitalized? <input type="checkbox"/> Yes Admission Date: ____/____/____ <input type="checkbox"/> No Discharge Date: ____/____/____ <input type="checkbox"/> Unknown</p> <p>Died? <input type="checkbox"/> Yes Pregnant? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> Unknown <input type="checkbox"/> Unknown</p> <p>STD Treatment Date: ____/____/____ STD Treatment: _____</p>
Provider	<p>Physician Name: _____</p> <p>Facility/Hospital Name: _____</p> <p>Phone: (____) _____</p>
Laboratory	<p>Test: _____</p> <p>Specimen Collection Date: ____/____/____ Result: _____</p> <p>Specimen Source: _____</p>

Date of Report: ____/____/____ Person Reporting/Title: _____ Phone: (____) _____

PH-1000 (Rev. 01/2010)

RDA-2094

**Tennessee Department of Health
Reportable Diseases and Events**

The diseases and events listed below are declared to be communicable and/or dangerous to the public and are to be reported to the local health department by all hospitals, physicians, laboratories, and other persons knowing of or suspecting a case in accordance with the provision of the statutes and regulations governing the control of communicable diseases in Tennessee.

Category 1A: Requires immediate telephonic notification (24 hours a day, 7 days a week), followed by a written report using the PH-1600 within 1 week.

[002] Anthrax (<i>Bacillus anthracis</i>) ^a	[516] Novel Influenza A
[005] Botulism-Foodborne (<i>Clostridium botulinum</i>) ^a	[032] Pertussis (Whooping Cough)
[004] Botulism-Wound (<i>Clostridium botulinum</i>)	[037] Rabies: Human
[505] Disease Outbreaks (e.g., foodborne, waterborne, healthcare, etc.)	[112] Ricin Poisoning ^a
[108] Encephalitis, Arboviral: Venezuelan Equine ^a	[132] Severe Acute Respiratory Syndrome (SARS)
[023] Hantavirus Disease	[107] Smallpox ^a
[086] Measles-Imported	[110] Staphylococcal Enterotoxin B (SEB)
[026] Measles-Indigenous	Pulmonary Poisoning ^a
[095] Meningococcal Disease (<i>Neisseria meningitidis</i>)	[111] Viral Hemorrhagic Fever ^a

Category 1B: Requires immediate telephonic notification (next business day), followed by a written report using the PH-1600 within 1 week.

[006] Brucellosis (<i>Brucella species</i>) ^a	[102] Meningitis-Other Bacterial
[010] Congenital Rubella Syndrome	[031] Mumps
[011] Diphtheria (<i>Corynebacterium diphtheriae</i>)	[033] Plague (<i>Yersinia pestis</i>) ^a
[121] Encephalitis, Arboviral: California/LaCrosse Serogroup	[035] Poliomyelitis-Nonparalytic
[123] Encephalitis, Arboviral: Eastern Equine	[034] Poliomyelitis-Paralytic
[122] Encephalitis, Arboviral: St. Louis	[119] Prion disease-variant Creutzfeldt Jakob Disease
[124] Encephalitis, Arboviral: Western Equine	[109] Q Fever (<i>Coxiella burnetii</i>) ^a
[506] Enterobacteriaceae, Carbapenemase-producing	[040] Rubella
[053] Group A Streptococcal Invasive Disease (<i>Streptococcus pyogenes</i>)	[041] Salmonellosis: Typhoid Fever (<i>Salmonella</i> Typhi)
[047] Group B Streptococcal Invasive Disease (<i>Streptococcus agalactiae</i>)	[131] <i>Staphylococcus aureus</i> : Vancomycin non-sensitive – all forms
[054] <i>Haemophilus influenzae</i> Invasive Disease	[075] Syphilis (<i>Treponema pallidum</i>): Congenital
[016] Hepatitis, Viral-Type A acute	[519] Tuberculosis, confirmed and suspect cases of active disease (<i>Mycobacterium tuberculosis</i> complex)
[513] Influenza, pediatric deaths	[113] Tularemia (<i>Francisella tularensis</i>) ^a
[515] Melioidosis (<i>Burkholderia pseudomallei</i>)	

Category 2: Requires written report using form PH-1600 within 1 week.

[501] Babesiosis	[001] Cryptosporidiosis (<i>Cryptosporidium species</i>)
[003] Botulism-Infant (<i>Clostridium botulinum</i>)	[108] Cyclosporiasis (<i>Cyclospora species</i>)
[007] Campylobacteriosis (including EIA or PCR positive stools)	[504] Dengue Fever
[503] Chagas Disease	[116] Ehrlichiosis-HGE (<i>Anaplasma phagocytophilum</i>)
[089] Chancroid	[051] Ehrlichiosis-HME (<i>Ehrlichia chaffeensis</i>)
[055] <i>Chlamydia trachomatis</i> -Genital	[117] Ehrlichiosis/Anaplasmosis-Other
[057] <i>Chlamydia trachomatis</i> -Other	[060] Gonorrhea-Genital (<i>Neisseria gonorrhoeae</i>)
[066] <i>Chlamydia trachomatis</i> -PID	[064] Gonorrhea-Ophthalmic (<i>Neisseria gonorrhoeae</i>)
[009] Cholera (<i>Vibrio cholerae</i>)	

^aPossible Bioterrorism Indicators

Effective 04/14/2010

Category 2: Requires written report using form PH-1600 within 1 week (continued).

[061] Gonorrhea-Oral (<i>Neisseria gonorrhoeae</i>)	[130] <i>Staphylococcus aureus</i> : Methicillin resistant Invasive Disease
[063] Gonorrhea-PID (<i>Neisseria gonorrhoeae</i>)	[518] <i>Streptococcus pneumoniae</i> Invasive Disease (IPD)
[062] Gonorrhea-Rectal (<i>Neisseria gonorrhoeae</i>)	[074] Syphilis (<i>Treponema pallidum</i>): Cardiovascular
[133] Guillain-Barré syndrome	[072] Syphilis (<i>Treponema pallidum</i>): Early Latent
[058] Hemolytic Uremic Syndrome (HUS)	[073] Syphilis (<i>Treponema pallidum</i>): Late Latent
[480] Hepatitis, Viral-HbsAg positive infant	[077] Syphilis (<i>Treponema pallidum</i>): Late Other
[048] Hepatitis, Viral-HbsAg positive pregnant female	[076] Syphilis (<i>Treponema pallidum</i>): Neurological
[017] Hepatitis, Viral-Type B acute	[070] Syphilis (<i>Treponema pallidum</i>): Primary
[018] Hepatitis, Viral-Type C acute	[071] Syphilis (<i>Treponema pallidum</i>): Secondary
[021] Legionellosis (<i>Legionella</i> species)	[078] Syphilis (<i>Treponema pallidum</i>): Unknown Latent
[022] Leprosy (Hansen Disease) (<i>Mycobacterium leprae</i>)	[044] Tetanus (<i>Clostridium tetani</i>)
[094] Listeriosis (<i>Listeria</i> species)	[045] Toxic Shock Syndrome: Staphylococcal
[024] Lyme Disease (<i>Borrelia burgdorferi</i>)	[097] Toxic Shock Syndrome: Streptococcal
[025] Malaria (<i>Plasmodium</i> species)	[048] Trichinosis
[118] Prion disease-Creutzfeldt Jakob Disease	[101] Vancomycin resistant enterococci (VRE) Invasive Disease
[036] Psittacosis (<i>Chlamydia psittaci</i>)	[114] Varicella deaths
[105] Rabies: Animal	[104] Vibriosis (<i>Vibrio</i> species)
[039] Rocky Mountain Spotted Fever (<i>Rickettsia rickettsii</i>)	[125] West Nile virus Infections-Encephalitis
[042] Salmonellosis: Other than <i>S. Typhi</i> (<i>Salmonella</i> species)	[126] West Nile virus Infections-Fever
[517] Shiga-toxin producing <i>Escherichia coli</i> (including Shiga-like toxin positive stools, <i>E. coli</i> O157 and <i>E. coli</i> non-O157)	[098] Yellow Fever
[043] Shigellosis (<i>Shigella</i> species)	[103] Yersiniosis (<i>Yersinia</i> species)

Category 3: Requires special confidential reporting to designated health department personnel within 1 week.

[500] Acquired Immunodeficiency Syndrome (AIDS)	[512] Human Immunodeficiency Virus (HIV)
---	--

Category 4: Laboratories and physicians are required to report all blood lead test results monthly and no later than 15 days following the end of the month.

[514] Lead Levels (blood)

Category 5: Events will be reported monthly (no later than 30 days following the end of the month) via the National Healthcare Safety Network (NHSN – see <http://health.state.in.us/codes/hai/index.htm> for more details); *Clostridium difficile* Infections (Davidson County residents only) will also be reported monthly to the Emerging Infections Program (EIP).

[508] Healthcare Associated Infections, Central Line Associated Bloodstream Infections	[510] Healthcare Associated Infections, Methicillin resistant <i>Staphylococcus aureus</i> positive blood cultures
[509] Healthcare Associated Infections, <i>Clostridium difficile</i>	[511] Healthcare Associated Infections, Surgical Site Infections

The following pathogens do not need to be reported using form PH-1600, but a reference culture is required to be sent to the State Public Health Laboratory.

[502] <i>Burkholderia mallei</i>	[507] <i>Francisella</i> species
----------------------------------	----------------------------------



^BPossible Bioterrorism Indicators

Effective 04/14/2010

Attachment E



BBP Exposure Incident Form

This form must be completely filled out after any employee exposure incident. This form is to remain confidential and placed in employee's medical records and be kept under lock and key.

EXPOSED EMPLOYEE

Name _____ Social Security No. _____

Date of Incident _____ Type of Incident _____

Employee's duties as they relate to the incident:

Description of exposure routes and circumstances under which incident occurred:

Check appropriate responses below:

- ☐ Yes ☐ No Exposed employee has been counseled as to applicable laws and regulations concerning disclosure of the identity and infectious status of the source patient.
- ☐ Yes ☐ No Exposed employee has legally consented to blood testing.
- ☐ Yes ☐ No Exposed employee has agreed to have baseline blood collection, but doesn't give consent at this time for HIV serologic testing and understands that the sample shall be preserved for 90 days in case employee decides to complete testing.

MEDICAL ATTENTION

The exposed employee was referred to the following doctor for medical evaluation, counselling and follow-up:

Name _____ Phone _____

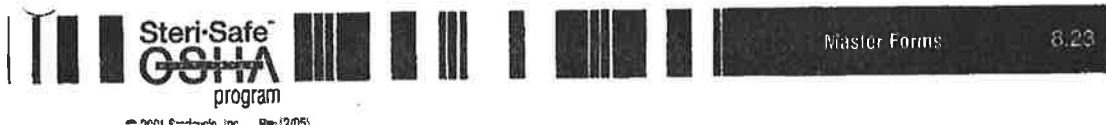
Address _____

Date of Exam _____ Date of Follow-up _____

Exposed employee's vaccination records were made available to the attending doctor on:

A copy of the "Occupational Exposure to Bloodborne Pathogens" was delivered to the attending doctor on:

A copy of the doctor's written opinion was delivered to the employee on:



Master Forms

8.23



SOURCE PATIENT

Name _____ Phone _____
Address _____
City _____ State _____ Zip Code _____

Check appropriate responses below:

☐ Yes ☐ No Source Patient has legally consented to have his/her blood tested for HIV and HBV infectivity.

☐ Yes ☐ No The legally required consent cannot be obtained.

Reason _____

☐ Yes ☐ No Source Patient is known to be infected with HBV.

☐ Yes ☐ No Source patient is known to be infected with HIV.

☐ Yes ☐ No Results of source patient's tests have been made to the exposed employee.

RECORD KEEPING

The following items will be maintained IN STRICT CONFIDENTIALITY and not disclosed without the employee's expressed written consent to anyone within or outside the workplace.

Records must be kept for duration of employment plus 30 (thirty) years.

1. The employee Exposure Incident Form.
2. A record of the employee's hepatitis B vaccination status including the dates of all vaccinations and any medical records relative to the employee's ability to receive vaccination.
3. A copy of all results of examinations, medical testing and follow-up procedures.
4. The employer's copy of all results of the Healthcare professional's written opinion.
5. Identity of source patient and source patient's blood test results.

Form Completed by:

Name _____ Title _____
Exposed Employee Signature _____ Date _____
Employer Signature _____ Date _____



Sharps Injury Log

Please complete a Log for each employee exposure incident involving a sharp. Check the box corresponding to the most appropriate answer. Please print and avoid touching lines.

Injury ID (please leave blank)										Facility ID (please leave blank)																																		
Institution															Department																													
Address															Page # Of																													
City															State										Zip Code																			
Date filled out															By										Phone																			
Facility Injury ID#															Date of Injury										Time of Injury										<input type="checkbox"/> Male <input type="checkbox"/> Female Sex (optional)									

Description of the exposure incident:

JOB CLASSIFICATION

- ☐ Dentist
- ☐ DA
- ☐ RDH
- ☐ Housekeeper/Laundry
- ☐ CNA/HHA
- ☐ Nurse
- ☐ RDA
- ☐ Student, type
- ☐ Other

DEPARTMENT/LOCATION

- ☐ Patient Room
- ☐ Operating Room
- ☐ CCU/ICU
- ☐ Clinical Laboratory
- ☐ Medical/Outpatient Clinic
- ☐ Emergency
- ☐ Procedure Room
- ☐ Home
- ☐ Service/Utility Area (disp. rm./laundry)
- ☐ Other

PROCEDURE

- ☐ Draw Venous Blood
- ☐ Draw Arterial Blood
- ☐ Injection, through skin
- ☐ Start IV/Set-Up Heparin Lock
- ☐ Unknown/Not Applicable
- ☐ Heparin/Saline Flush
- ☐ Cutting
- ☐ Suturing
- ☐ Other



DID THE EXPOSURE INCIDENT OCCUR

- ☐ During use of sharp ☐ While putting sharp into disposable container
☐ Between steps of a multi-step procedure ☐ Sharp left, in inappropriate place (table, bed, etc.)
☐ After use and before disposal of sharp ☐ Other _____

BODY PART

- ☐ Finger ☐ Hand ☐ Arm ☐ Face/Head ☐ Torso ☐ Leg ☐ Other _____

IDENTIFY SHARP INVOLVED (if known)

Type _____ Brand _____ Model _____
e.g. 18g needle/ABC Medical/"no stick" syringe

Did the device being used have engineered sharps injury protection? ☐ Yes ☐ No ☐ Don't Know

Was the protective mechanism activated? ☐ Yes-Fully ☐ Yes-Partially ☐ No

Did the exposure incident occur: ☐ Before ☐ During ☐ After Activation

EXPOSED EMPLOYEE

If sharp had no engineered sharps injury protection, do you have an opinion that such a mechanism could have prevented the injury? ☐ Yes ☐ No

Explain

EXPOSED EMPLOYEE

Do you have an opinion that any other engineering, administrative or work practice control could have prevented the injury? ☐ Yes ☐ No

Explain



**SOURCE INDIVIDUAL TESTING
CONSENT / DECLINATION FORM**
(This or equivalent information is mandatory)

Date _____

I, _____, have been informed that an exposure incident involving an employee of _____, has occurred while performing procedures involving my blood or other potentially hazardous materials on _____ (date).

As required by law, I have been requested to consent to testing my blood for possible infection with hepatitis B, or C or HIV. I have been informed that this testing is to alleviate concerns and anxiety of the exposed employee as well as to allow healthcare professionals to proceed with appropriate medical evaluation and treatment of the employee if needed. I have also been informed that, as required by law, the results of these tests will remain confidential between the exposed employee and me.

I understand that I have not been exposed to any body fluid or disease, only the employee has been exposed to my blood or body fluid. I understand that I am at no risk of contracting a disease. If I have further questions or concerns, I will discuss them with facility management.

I understand that I will receive results of results of my testing, and that All expenses associated with this testing will be incurred by this facility.

PLEASE SIGN ONE CHOICE BELOW

I, _____, consent to having hepatitis B, C and HIV testing performed under the conditions stated above.

Signature of consenting source individual

Date

I, _____, refuse to consent for testing to determine my hepatitis B, C and HIV state of infection.

Signature of consenting source individual

Date

File in exposed employee's confidential medical record file.

SharpsFormBBP123

Support Letters

May 14, 2018

CONFIDENTIAL

Tennessee Imaging Services, LLC
c/o American Radiology Holdings, P.C.

Ladies and Gentlemen:

We understand that Tennessee Imaging Services, LLC, a Tennessee limited liability company ("TIS"), intends to apply for a Certificate of Need with the State of Tennessee Health Services and Development Agency for the establishment of an imaging center contemplated at the Crossings at 5380 Hickory Hollow Pkwy, Antioch, Tennessee 37013 (the "Antioch Imaging Center"). TIS is a wholly-owned subsidiary of American Radiology Holdings, P.C., a Tennessee professional corporation ("ARH").

In exchange for \$10.00 and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

I. TriStar Options.

a. Pre-Licensure Option. The parties hereby agree that TriStar Health System, Inc., a Tennessee corporation ("TriStar") (or an affiliate of TriStar designated by TriStar) shall have the right, but not the obligation, to participate in the Antioch Imaging Center as a joint venture partner of ARH or its affiliate at any time prior to the date of licensure of the Antioch Imaging Center as an outpatient diagnostic center by the State of Tennessee (the "Licensure Date") by electing to contribute capital to the venture. The parties further agree that TriStar shall have the option to obtain up to a 75% ownership interest at the Option Exercise Price (as defined below) in TIS or any other ARH affiliate which has applied for or been granted a certificate of need for the Antioch Imaging Center upon providing written notice to ARH. The parties agree to use their respective commercially reasonable efforts to enter into a letter of intent within sixty (60) days after ARH receives such notice that sets forth the ownership interest that TriStar has elected to acquire and the material terms of such purchase (the "LOI"). The parties acknowledge that if TriStar exercises its option to acquire greater than 50% ownership in TIS or other ARH affiliated entity holding a certificate of need for the Antioch Imaging Center, the approval of the Health Services and Development Agency is required. Reasonable costs and expenses incurred by ARH related to the Antioch Imaging Center shall be eligible for inclusion in ARH's capital contribution for such joint venture; provided, however, that holding costs for the real estate incurred prior to May 1, 2018 shall not be included in ARH'S capital contribution. In the event that TriStar exercises its option to participate in accordance with this paragraph, the parties shall execute definitive agreements acceptable to each party with respect to the operation of the joint venture prior to ARH making material governance or financial decisions with respect to the Antioch Imaging Center or capital contributions to the entity that has applied for or obtained the Certificate of Need for the Antioch Imaging Center. Such documents shall contain customary terms for imaging center transactions as are acceptable to each of the parties. The parties shall use their respective commercially reasonable efforts to consummate the sale and purchase as set forth in the LOI within ninety (90) days after the LOI has been executed.

b. Post-Licensure Option. At any time during the one-year period commencing on the Licensure Date, TriStar (or an affiliate of TriStar designated by TriStar) shall have the right (the "TriStar Option"), but not the obligation, to purchase all or any portion of the ownership interests in TIS or other ARH affiliated entity licensed to operate the Antioch Imaging Center (such interest being the "Option Interest") at the Option Exercise Price (as defined below). To exercise the TriStar Option, TriStar shall deliver a written notice to ARH, after which the parties shall use their respective commercially reasonable efforts to consummate the sale and purchase of the Option Interest not later than the ninetieth (90th) day following TriStar's giving of written notice of exercise (such purchase and sale being the "Option Closing"). At the Option Closing, TriStar shall acquire the Option Interest, free and clear of any and all liens and encumbrances against delivery by TriStar of payment of the Option Exercise Price in cash or by wire transfer of immediately available funds. The sale, assignment, transfer and delivery of the Option Interest shall be made by the parties' execution and delivery at the Option Closing of documents containing customary terms for imaging center transactions as are acceptable to each of the parties with such changes as to which the parties agree or may be necessitated by the legal structure of the contemplated transaction. As used in this letter agreement, "Option Exercise Price" means the fair market value of the Option Interest determined by independent appraisal by a qualified business appraiser mutually agreeable to the parties.

2. Successors and Assigns. This letter agreement may be amended only by a written instrument executed by the parties hereto acting by their respective duly authorized representatives. Neither this letter agreement nor any rights or obligations hereunder may be assigned by any party hereto without the prior written consent of the other party, provided that each party may assign its rights to an affiliate, subsidiary, successor entity or other entity under common control of or with such party without prior written consent of the other party. Furthermore, this letter agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

3. Governing Law. This letter agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

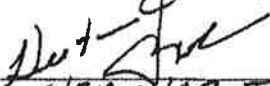
4. Severability; Invalid Provisions. Wherever possible, each provision of this letter agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this letter agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this letter agreement.

5. Counterparts. This letter agreement may be executed in multiple counterparts and by the different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, when taken together, shall constitute but one and the same letter agreement. The exchange of copies of this letter agreement and of signature pages hereto by facsimile or electronic mail in portable document format shall constitute effective execution and delivery of this letter agreement. Signatures of the parties transmitted by facsimile or electronic mail in portable document format shall be deemed to be the parties' original signatures for all purposes.

If the terms above are acceptable to you, please execute and return a copy of this letter at your earliest convenience.


Sincerely,

TriStar Health System, Inc.

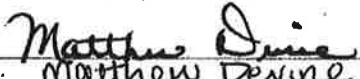
By: 
Name: HEATHER J. ROMAN
Title: DIVISION PRESIDENT

Accepted and Agreed,
May 14, 2018

American Radiology Holdings, P.C.

By: 
Name: DOMINIC ANDREANO
Title: Secretary

Tennessee Imaging Services, LLC

By: 
Name: Matthew Devine
Title: President



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

June 1, 2018

John Wellborn, Consultant
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, TN 37215

RE: Certificate of Need Application – Antioch Outpatient Diagnostic Center - CN1805-020
The establishment of an outpatient diagnostic center (ODC), the initiation of magnetic resonance imaging (MRI) services, and acquisition of a fixed 1.5T MRI unit. The proposed ODC will be located in leased space located at 5380 Hickory Hollow Parkway, Suite 101, Antioch (Davidson County), TN. The applicant is owned by Tennessee Imaging Services, LLC (TIS) which is owned by American Radiology Holdings, P.C (ARH). ARH is wholly owned by Dr. Curtis Pickert, MD. The estimated project cost is \$8,646,512.

Dear Mr. Wellborn:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project began on June 1, 2018. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on August 22, 2018.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (2) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (3) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Melanie M. Hill", written in a cursive style.

Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: Melanie M. Hill
Executive Director

DATE: June 1, 2018

RE: Certificate of Need Application
Antioch Outpatient Diagnostic Center - CN1805-020

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on June 1, 2018 and end on August 1, 2018.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: John Wellborn

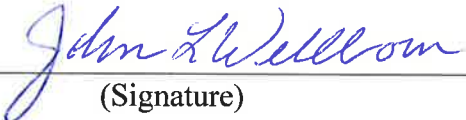
LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Tennessean, which is a newspaper of general circulation in Davidson County, Tennessee, on or before May 10, 2018, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Antioch Outpatient Diagnostic Center (a proposed Outpatient Diagnostic Center), to be owned and managed by Tennessee Imaging Services, LLC (a limited liability company), intends to file an application for a Certificate of Need to establish an Outpatient Diagnostic Center, to acquire MRI equipment and initiate MRI services and to provide CT scanning and other diagnostic imaging services in leased space at 5380 Hickory Hollow Parkway, Suites 101-11, Antioch, TN 37013, at a capital cost estimated for CON purposes at \$8,800,000, including lease payments for seven years.

The project will seek licensure by the Board for Licensing Health Care facilities as an Outpatient Diagnostic Center (ODC). The project does not contain any other type of major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before May 15, 2018. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

	5-8-18	jwdsg@comcast.net
(Signature)	(Date)	(E-mail Address)

Supplemental #1 (Original)

Antioch Outpatient
Diagnostic Center

CN1805-020

May 24, 2018

Phillip M. Earhart, HSD Examiner
Jeff Grimm, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application CM1805-020
Antioch Outpatient Diagnostic Center With MRI

Dear Mr. Earhart:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section A, Applicant Profile, Item 1 (Name of Facility)

a. It is noted the applicant will be located in Suite 101 at 5380 Hickory Hollow Parkway. However, the lease notes the suites as 101 and 111, while the Letter of Intent state suites 101-11. Please clarify which suites the applicant will actually occupy.

Response: Suites 101 and 111 are adjoining spaces that will be merged into the ODC, whose address is expected to be Suite 101 when completed. The letter of intent's "101-11" was a style inserted by legal counsel, which means both suites 101 and 111.

b. It is noted TriStar Medical Group Family Practice at the Crossings is located at Suite 100, 5380 Hickory Hollow Parkway. Please clarify if the applicant will be sharing any services, staff, or space.

Response: The ODC will not share services, staff, or space with the TriStar Medical Group Family Practice.

Page Two
May 24, 2018

2. Section A, Executive Summary, Overview (1) (Description)

a. Please clarify the relationship between Radiology Alliance and TriStar Health Systems. In your response, please provide any locations where the radiology practice staffs TriStar related entities.

Response: TriStar Health System operates ten acute care hospitals in Middle Tennessee and Kentucky, and their related satellite emergency rooms. Six of these hospitals are within this project' 3-county primary service area. Radiology Alliance staffs the Imaging Departments of all TriStar facilities in Middle Tennessee and Kentucky. Their locations are:

TriStar Ashland City Medical
Center
313 North Main Street
Ashland City, TN 37015

TriStar Centennial Medical
Center
2300 Patterson Street
Nashville, TN 37203

TriStar Centennial Emergency
Room at Spring Hill
3001 Reserve Blvd.
Spring Hill, TN 37174

TriStar Greenview Reg'l Hosp.
1801 Ashley Circle
Bowling Green, KY 42104

TriStar Hendersonville Medical
Center
355 New Shackle Island Road
Hendersonville, TN 37075

TriStar Portland ER
105 Redbud Drive
Portland, TN 37148

Horizon Medical Center
111 Highway 70 East
Dickson, TN 37055

TriStar Natchez ER
109 Natchez Park Drive
Dickson, TN 37055

TriStar Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

TriStar Southern Hills Medical
Center
391 Wallace Road
Nashville, TN 37211

TriStar StoneCrest Medical
Center
200 StoneCrest Blvd.
Smyrna, TN 37167

TriStar Summit Medical Center
5655 Frist Boulevard
Hermitage, TN 37076

Page Three
May 24, 2018

b. Please clarify if the proposed MRI will primarily serve adults or children.

Response: The MRI will serve both adults and children as clinically appropriate. However, it is expected that the great majority of patients referred to this MRI will be adults.

3. Section A, Executive Summary, Overview (2) (Ownership Structure)

a. It is noted American Radiology Holdings, P.C. is wholly owned by Dr. Curtis Pickert, MD. However, it appears the Tennessee medical license for Dr. Curtis Pickert expired December 31, 1987. Please clarify.

Response: Dr. Pickert is licensed to practice medicine in the state of Nevada. Per Ten. Code. §48-101-610(a)(2)(a), individuals who are authorized by law in Tennessee *or another state* to render a professional service are permitted to own shares of a Tennessee professional corporation.

c. Please indicate the date MEDNAX acquired Radiology Alliance and Infinity Management.

Response: American Radiology Holdings, P.C. is the owner of Radiology Alliance, P.C. Mednax Services, Inc. is the owner of Infinity Management, LLC. Both Radiology Alliance, P.C. and Infinity Management, LLC were acquired on January 2, 2017.

c. Please describe the relationship between each of the following entities: TIS, ARH, Dr. Curtis Pickert, Infinity Management, MEDNAX, HCA, and Radiology alliance.

Response:

Please see the precise description of these entities and their relationships on pages 7, 8, and 9 of the application, as set forth by legal counsel for the applicant. Another way to describe their relationships is as follows:

Response:

Please see the precise description of these entities and their relationships on pages 7, 8, and 9 of the application, as set forth by legal counsel for the applicant. We have also depicted the structure in the attached Organizational Chart. Another way to describe their relationships is as follows:

Page Four
May 24, 2018

- Tennessee Imaging Services, LLC is a new entity created to apply for this CON and to hold the ODC's license. It is wholly owned by American Radiology Holdings, P.C., which is a professional corporation. American Radiology Holdings, P.C. is wholly owned by Dr. Curtis Pickert.
- Radiology Alliance, P.C. is a wholly owned subsidiary of American Radiology Holdings, P.C. but retains its own Tax ID. Radiology Alliance, P.C. will have a professional services agreement with Tennessee Imaging Services, LLC to interpret studies, and provide medical leadership for the ODC.
- Radiology Alliance, P.C. currently has a professional services contract with TriStar, an HCA hospital, to interpret studies, and provide medical leadership for TriStar hospitals and satellite Emergency Rooms in the Nashville Metro Area, as well as Bowling Green, KY. This ODC project does not change that relationship.
- Mednax Services, Inc. is a wholly owned subsidiary of Mednax, Inc., a leading provider of physician and practice support services with more than 4,000 affiliated physicians through the United States. MEDNAX will fund the development of the ODC as described on page 51 of the project. Its role will be as a lender, similar to that of a commercial bank. MEDNAX has documented its ability and commitment to do this, by the customary CON practice of providing a funding commitment letter and its own audited financial statements.
- Infinity Management, LLC, is an existing Tennessee company that has long provided to Radiology Alliance, P.C. a variety of administrative support services such as billing/collections, IT services, physician credentialing, and accounting. As mentioned above, Infinity Management, LLC is a wholly owned subsidiary of Mednax Services, Inc. Infinity Management will provide the same types of administrative support services to the Antioch ODC that it has been providing to Radiology Alliance, P.C. for many years. Those services are labeled in the Other Expense category of the Projected Data Chart as "billing fees" and "Administrative Support Fees".
- HCA (via their local division, TriStar) has entered into a letter of intent with the Tennessee Imaging Services, LLC (included in the application), stating they will have the option to acquire up to 75% of the ODC owner, TIS LLC. The application makes it clear that this is a potential participation by TriStar--at this time TriStar has no ownership interest in the project.

Page Five
May 24, 2018

4. Section A, Executive Summary, Overview (4.A) (Facility Owner)

a. Please clarify the reason Tennessee Imaging Services, LLC's address is listed in care of (c/o) Infinity Management 210 25th Avenue North, Suite 602, while there appears to be no common ownership between the two entities.

Response: Infinity Management, LLC will be providing administrative support services to Tennessee Imaging Services, LLC pursuant to an Administrative Support Services Agreement. Tennessee Imaging Services, LLC, the new CON applicant, has no staff of its own, and this application is being completed by Infinity Management, LLC on their behalf. The TIS mailing address for now is the same as Infinity Management's address on 25th Avenue North.

5. Section A, Executive Summary, Overview (4.B) (Type of Ownership)

Please clarify the significance of an expired Department of Health license for Specialty MRI included in the application.

Response: This was a clerical error; the current Specialty MRI license is attached following this page.

6. Section A, Executive Summary, Overview (6.A) (Legal Interest)

a. Please provide a copy of the property deed that documents Freeland Realty 4, LLC has control of the property be located at 5380 Hickory Hollow Parkway, Suite 101, Antioch (Davidson County), TN.

Response: The deed to this site is attached at the end of this support letter. Freeland Realty has authority to execute leases of this building.

b. The lease dated July 15, 2016 between Freeland Realty 4, LLC and Radiology Alliance, PC is noted. There is no lease or sublease involving the applicant. Please clarify the relationship between Radiology Alliance P.C. and the applicant.

Response: The lease permits subleases. The lessee Radiology Alliance P.C. has executed a sublease of the project space to Tennessee Imaging Services, LLC, the CON applicant. The sublease is conditioned on the project receiving CON approval. A copy is attached at the end of this letter after the property deed.

Board for Licensing Health Care Facilities



State of Tennessee

License No. QDC0000000025

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

to conduct and maintain

SPECIALTY MRI LLC

an Outpatient Diagnostic Center SPECIALTY MRI LLC

Located at 2018 MURPHY AVENUE, SUITE 101, NASHVILLE

County of DAVIDSON, Tennessee.

This license shall expire JULY 20, 2018, *and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 10TH *day of* JULY, 2017.
In the Specialty(ies) of: MRI



By James J. Davis, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By John J. Davis
COMMISSIONER

Supplemental #1

May 25, 2018

12:21 P.M.

Page Six
May 24, 2018

c. Please clarify the reason the lease was executed almost two years ago prior to the submission of this application. What entity has occupied the space from July 15, 2016 to the current date?

Response: The ODC space has been vacant. The lease was executed almost two years ago because application for this ODC was then considered imminent. However, it was delayed by the acquisition events described in the application, and by subsequent review of the project by Radiology Alliance's new parent company.

d. The Exhibit CTO lease is noted. However, please clarify why this exhibit is needed and the reason it is not signed and executed.

Response: That is Exhibit C, to the lease (the letters were run together). Its reason for inclusion is explained in item #15 on pages 13-14 of the lease. Exhibit C is the general form the parties agree to execute if and only if, in the future, a mortgage is taken on the building that requires subordination of the lease.

7. Section A, Executive Summary, Overview (6.B) (Plot Plan)

Please describe the proposed building, i.e. parking, floors, tenants, etc.

Response: The building is a two-story facility with two entries, and approximately 145 parking spaces. The building has two elevators to comply with the American with Disabilities Act, and has public restroom facilities. It currently has active tenants for a general family medical practice, and Seven Springs Orthopedics, as well as a simulation learning center for HCA's TriStar Division. The proposed ODC will be on the first floor, to the immediate left of the building's main entrance.

8. Section A, Executive Summary, Overview (13) (MRI)

a. The MRI equipment quotes located in Attachment Section A.13.B is noted. However, the documents appear to be expired. If needed, please provide current active documents.

Response: New quotes with appropriate expiration dates are attached after this page.



GE Healthcare

Supplemental #1

May 25, 2018

Quote #: 12:21 P.M.
Version #:

Q-Exp-Date:

05-25-2018

PR8-C81351

12

08-21-2018

Issued By:

GE Healthcare
FEIN: 14-0689340

Customer Address:

Radiology Alliance
210 25th Ave N Ste 602
Nashville TN 37203-1631

Attention:

Ms. Luginia Hill
210 25th Ave N Ste 602 Nashville
TN 37220

The terms of the Master Purchasing Agreement, Strategic Alliance Agreement or GPO Agreement referenced below as the Governing Agreement shall govern this Quotation. No additional or different terms shall apply unless agreed to in writing by authorized representatives of both parties.

Governing Agreement: Novation - Vizient Supply LLC
Customer Number: 1-25Q3XC
Terms of Delivery: FOB Destination
Billing Terms: 80% delivery / 20% Installation
Payment Terms: NET 30
Total Quote Net Selling Price: \$1,026,616.14 *MRI*
Sales And Use Tax Status: No Exemption Certificate on File

** The following ship to states do not impose a sales/use tax (AK, DE, MT, NH, OR). No exemption certificate required.

INDICATE FORM OF PAYMENT:

If "GE HEF Loan" or "GE HEF Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Equipment Finance (GE HEF) to fund this arrangement after shipment.

☐ Cash/Third Party Loan/Check ☐ GE HEF Loan
☐ GE HEF Lease ☐ Third Party Lease (please identify financing company) _____

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE

Gary Young

05-25-2018

Signature

Date

Vaso Healthcare - Authorized Manufacturer Rep

Email: GaryYoung@ge.com

Office: +1 615 202 6373

Mobile: 615-202-6373



GE Healthcare

Supplemental #1

May 25, 2018

05-25-2018

Quote #:
12:21 P.M.

PR8-C81351

Version #:

12

Q-Exp-Date:

08-21-2018

Total Quote Selling Price
Trade-In and Other Credits

\$1,026,616.14
\$0.00

Total Quote Net Selling Price

\$1,026,616.14

To Accept this Quotation

Please sign and return this Quotation together with your Purchase Order To:

Gary Young

Office: +1 615 202 6373

Mobile: 615-202-6373

Email: GaryYoung@ge.com

Payment Instructions

Please **Remit** Payment for invoices associated with this quotation to:

GE Healthcare

P.O. Box 96483

Chicago, IL 60693

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate, your form of payment.
- If you include the purchase order, please make sure it references the following information
 - The correct Quote number and version number above
 - The correct Remit To information as indicated in "Payment Instructions" above
 - The correct SHIP TO site name and address
 - The correct BILL TO site name and address
 - The correct Total Quote Net Selling Price as indicated above

"Upon submission of a purchase order in response to this quotation, GE Healthcare requests the following to evidence agreement to contract terms.

Signature page on quote filled out with signature and P.O. number.

*****OR*****

Verbiage on the purchase order must state one of the following: (i) Per the terms of Quotation #_____; (ii) Per the terms of GPO#_____; (iii) Per the terms of MPA #_____; or (iv) Per the terms of SAA #_____. Include the applicable quote/agreement number with the reference on the purchase order.

In addition, source of funds (choice of: Cash/Third Party Loan or GE HEF Lease or GE HEF Loan or Third Party Lease through _____), must be indicated, which may be done on the quote signature page (for signed quotes), on the purchase order (where quotes are not signed) or via a separate written source of funds statement (if provided by GE Healthcare)."



Qty	Catalog No.	Description
1		SIGNA Voyager 1.5T
1	S7525VE	<p>SIGNA™ Voyager 1.5T MR System</p> <p>The SIGNA™ Voyager 1.5T MR system is designed with pioneering technology to maximize your productivity and ROI while delivering unmatched patient comfort, uncompromised clinical performance and streamlined workflow. The Voyager configuration includes the system electronics, operating software, imaging software, post-processing software and RF coil suite:</p> <ul style="list-style-type: none">• RF Receive Technology• RF Coil Suite• Ultra-High Efficiency Gradient System• ADT Quiet Technology• Computing Platform & DICOM• Comfort Plus Patient Table• SIGNA™Flow and READYView Workflow• SIGNA™Works Applications Toolkit <p>Total Digital Imaging: The SIGNA™ Voyager Total Digital Imaging RF architecture delivers pioneering technology that generates images with greater clarity and up to 25% increased SNR. TDI has three fundamental components:</p> <ul style="list-style-type: none">• Direct Digital Interface (DDI) employs an independent analog-to-digital converter to digitize inputs from each of 33 RF channels. Every input is captured and every signal digitized to deliver high quality 1.5T images.• Digital Surround Technology (DST) delivers the capability to simultaneously acquire MR signal from the integrated body coil and the surface coil. By combining the digital signal from surface coil elements with the signal from the integrated RF body coil, the superior SNR and sensitivity of the high-density surface coils are combined with the superior homogeneity and deeper signal penetration of the integrated RF Body Coil. This results in richer, higher quality spine and body images. <p>TDI Coil Suite: The Total Digital Imaging Suite of coils is designed to enhance patient comfort and image quality while simplifying workflow. The Coil Package includes:</p> <ul style="list-style-type: none">• Integrated T/R Body Coil• TDI Posterior Array• TDI Head Neck Unit• Anterior Array

The TDI Posterior Array is the first coil to include the Digital Micro Switch. The Integrated



GE Healthcare

Supplemental #1

May 25, 2018

Quote #: 12:21 P.M.
Version #:

Q-Exp-Date:

05-25-2018

PR15-C6144

17

08-21-2018

Issued By:
GE Healthcare
FEIN: 14-0689340

Customer Address:
Radiology Alliance
210 25th Ave N Ste 602
Nashville TN 37203-1631

Attention:
Ms. Luginia Hill
210 25th Ave N Ste 602 Nashville
TN 37220

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions. In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation.

No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties.

Governing Agreement:

Novation - Vizient Supply LLC Group Buy

Customer Number:

1-25Q3XC

Terms of Delivery:

FOB Destination

Billing Terms:

80% delivery / 20% Installation

Payment Terms:

NET 30

Total Quote Net Selling Price:

\$595,905.35

CT

Sales And Use Tax Status:

No Exemption Certificate on File

** The following ship to states do not impose a sales/use tax (AK, DE, MT, NH, OR). No exemption certificate required.

INDICATE FORM OF PAYMENT:

If "GE HEF Loan" or "GE HEF Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Equipment Finance (GE HEF) to fund this arrangement after shipment.

☐ Cash/Third Party Loan/Check ☐ GE HEF Loan

☐ GE HEF Lease ☐ Third Party Lease (please identify financing company) _____

By signing below, each party certifies that it (i) has received a complete copy of this Quotation, including the GE Healthcare terms, conditions and warranties, and (ii) has not made any handwritten or electronic modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE

Gary Young

05-25-2018

Signature

Date

Vaso Healthcare - Authorized Manufacturer Rep

Email: GaryYoung@ge.com

Office: +1 615 202 6373

Mobile: 615-202-6373



GE Healthcare

Supplemental #1

May 25, 2018

12:21 P.M.

Quote #:
Version #:

05-25-2018

PR15-C6144

17

Q-Exp-Date:

08-21-2018

Total Quote Selling Price
Trade-In and Other Credits

\$595,905.35
\$0.00

Total Quote Net Selling Price

\$595,905.35

To Accept this Quotation

Please sign and return this Quotation together with your Purchase Order To:

Gary Young

Office: +1 615 202 6373

Mobile: 615-202-6373

Email: GaryYoung@ge.com

Payment Instructions

Please **Remit** Payment for invoices associated with this quotation to:

GE Healthcare

P.O. Box 96483

Chicago, IL 60693

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate your form of payment.
- If you include the purchase order, please make sure it references the following information
 - The correct Quote number and version number above
 - The correct Remit To information as indicated in **"Payment Instructions"** above
 - The correct SHIP TO site name and address
 - The correct BILL TO site name and address
 - The correct Total Quote Net Selling Price as indicated above

"Upon submission of a purchase order in response to this quotation, GE Healthcare requests the following to evidence agreement to contract terms.

Signature page on quote filled out with signature and P.O. number.

*****OR*****

Verbiage on the purchase order must state one of the following: (i) Per the terms of Quotation #_____; (ii) Per the terms of GPO#_____; (iii) Per the terms of MPA #_____; or (iv) Per the terms of SAA #_____. Include the applicable quote/agreement number with the reference on the purchase order.

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GE Healthcare

Supplemental #1

May 25, 2018

Quote #:
12:21 P.M.
Version #:

05-25-2018

PR15-C6144

17

Q-Exp-Date:

08-21-2018

05-25-2018

GPO Agreement Reference Information

Customer: Ms. Luginia Hill
Contract Number: MULTIPLE
Start Date: 03/30/2008
End Date: 06/30/2018

Billing Terms: 80% delivery / 20% Installation
Payment Terms: NET 30
Shipping Terms: FOB Destination

NOTICE REGARDING COMPUTED TOMOGRAPHY ("CT") PRODUCTS. This notice applies only to the following GE Healthcare products: CT: Revolution CT and EVO, Optima 680 CT and Optima 520 CT. GE Healthcare has reclassified several advanced software tools and associated documentation to a GE Healthcare Technical Service Technology package that GE Healthcare feels will bring greater value and interest to our customers. GE Healthcare will continue to provide trained Customer employees with access to the GE Healthcare Technical Service Technology package under a separate agreement. GE Healthcare will continue to provide customers and their third party service providers with access to software tools and associated documentation in order to perform basic service on the CT, MR and NM products listed above upon a request for registration for such access. This will allow GE Healthcare to react faster to the future service needs of GE Healthcare customers. If you have any questions, you can contact your sales Service Specialist.

This product offering is made per the terms and conditions of Novation/GE Healthcare GPO Agreement # XR11013 (CT) and # XR11031 (PET-CT).

For access to the applicable Novation Agreement and Contract Summary, please login to the Novation Marketplace website. If you require assistance or are experiencing issues please contact one of the following for support:

Novation Customer Service (888) 7-NOVATE NOVCustomerService@novationco.com

Web Site Technical Support (800) 327-8116 NovationTechSupport@novationco.com



GE Healthcare

Supplemental #1

May 25, 2018

Quote #: 12:21 P.M.
Version #:

Q-Exp-Date:

05-25-2018

PR11-C80768

11

08-22-2018

Issued By:

GE Healthcare
FEIN: 14-0689340

Customer Address:

Radiology Alliance
210 25th Ave N Ste 602
Nashville TN 37203-1631

Attention:

Victoria Hill
210 25th Ave N Ste 602 Nashville
TN 37205

The terms of the Master Purchasing Agreement, Strategic Alliance Agreement or GPO Agreement referenced below as the Governing Agreement shall govern this Quotation. No additional or different terms shall apply unless agreed to in writing by authorized representatives of both parties.

Governing Agreement:

Novation - Vizient Supply LLC

Customer Number:

1-25Q3XC

Terms of Delivery:

FOB Destination

Billing Terms:

80% delivery / 20% Installation

Payment Terms:

NET 30

Total Quote Net Selling Price:

\$496,543.40

RAD - ROOM

Sales And Use Tax Status:

No Exemption Certificate on File

** The following ship to states do not impose a sales/use tax (AK, DE, MT, NH, OR). No exemption certificate required.

INDICATE FORM OF PAYMENT:

If "GE HEF Loan" or "GE HEF Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Equipment Finance (GE HEF) to fund this arrangement after shipment.

☐ Cash/Third Party Loan/Check

☐ GE HEF Loan

☐ GE HEF Lease

☐ Third Party Lease (please identify financing company) _____

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE

Gary Young

05-25-2018

Signature

Date

Vaso Healthcare - Authorized Manufacturer Rep

Email: GaryYoung@ge.com

Office: +1 615 202 6373

Mobile: 615-202-6373



GE Healthcare

Supplemental #1

May 25, 2018

12:21 P.M.

Quote #:
Version #:

Q-Exp-Date:

05-25-2018

PR11-C80768

11

08-22-2018

Total Quote Selling Price

Trade-In and Other Credits

\$496,543.40

\$0.00

Total Quote Net Selling Price

\$496,543.40

To Accept this Quotation

Please sign and return this Quotation together with your Purchase Order To:

Gary Young

Office: +1 615 202 6373

Mobile: 615-202-6373

Email: GaryYoung@ge.com

Payment Instructions

Please **Remit** Payment for invoices associated with this quotation to:

GE Healthcare

P.O. Box 96483

Chicago, IL 60693

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate, your form of payment.
- If you include the purchase order, please make sure it references the following information
 - The correct Quote number and version number above
 - The correct Remit To information as indicated in "**Payment Instructions**" above
 - The correct SHIP TO site name and address
 - The correct BILL TO site name and address
 - The correct Total Quote Net Selling Price as indicated above

"Upon submission of a purchase order in response to this quotation, GE Healthcare requests the following to evidence agreement to contract terms.

Signature page on quote filled out with signature and P.O. number.

*****OR*****

Verbiage on the purchase order must state one of the following: (i) Per the terms of Quotation #_____; (ii) Per the terms of GPO#_____; (iii) Per the terms of MPA #_____; or (iv) Per the terms of SAA #_____. Include the applicable quote/agreement number with the reference on the purchase order.

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GE Healthcare

Supplemental #1

May 25, 2018

12:21 P.M.

Quote #:

Version #:

Q-Exp-Date:

05-25-2018

PR11-C80768

11

08-22-2018

05-25-2018

GPO Agreement Reference Information

Customer: Victoria Hill
Contract Number: PLEASE SEE NOVATION CONTRACT # BELOW
Start Date:
End Date: 12/31/2021

Billing Terms: 80% delivery / 20% Installation
Payment Terms: NET 30
Shipping Terms: FOB Destination

This product offering is made per the terms and conditions of Novation/GE Healthcare GPO Agreement # XR0380 (RAD/R and F) and XR0342 (MAMMO).

For access to the applicable Novation Agreement and Contract Summary, please login to the Novation Marketplace website. If you require assistance or are experiencing issues please contact one of the following for support:

Novation Customer Service (888) 7-NOVATE NOVCustomerService@novationco.com

Web Site Technical Support (800) 327-8116 NovationTechSupport@novationco.com



GE Healthcare

Qty	Catalog No.	Description
1		Precision 600FP
1	S0915RA	<p>The Precision™ 600FP is a classical, flat panel detector (FPD) based fluoroscopic and radiographic system with a list of features highlighted below:</p> <ul style="list-style-type: none"> • High quality images acquired with a high resolution flat panel detector. • Small footprint that fits in various room sizes. • Intuitive user interface to optimize clinical workflow. • Supports a wide range of patient sizes and weights. • Comprehensive image visualization, post-processing, and database management. Super Noise Reduction Filter to minimize noise. • Comprehensive dose management, including adjustable framerate, dose settings, virtual collimation, grid controlled pulse, DoseWatch (optional) and more. <p>The universal table configuration and tableside control panel make it easy for patient positioning. High weight capability, large clearance between tabletop and flat panel detector, and easy patient access from the back of table allow large patients to be imaged with ease</p> <ul style="list-style-type: none"> • Dimension: 35.6" H x 82.7" L x 30.1" W (90.4 x 210.0 x 76.5 cm) • Movement: longitudinal ± 31.5" (80 cm), lateral ± 3.9" (10 cm) • Distance between focus and table top: 20.7" (52.6 cm) • Tilting: $+90^{\circ}/-45^{\circ}$. Speed is 1° to $5^{\circ}/\text{sec}$ variable • Weight capacity: 600 lb (270 kg) at the tabletop center with table in horizontal position, 400 lb (180 kg) for dynamic positioning at the center. <p>Another important way of positioning an image is through FPD tower. A power-assisted positioning handle is available to easily move the tower in all three dimensions for best image positions, regardless of left- or right-handedness. An additional handle is also available for users who prefers to use both hands.</p> <ul style="list-style-type: none"> • Longitudinal movement: ± 29.5" (75 cm) • Lateral movement: ± 4.9" (12.5 cm) • Vertical movement: 11.2" (28.4 cm). Distance to tabletop is adjustable between 9.3" (23.6 cm) and 20.5" (52 cm) <p>The Precision 600FP imaging system is centered around a 17" x 17" cesium iodide (CSI) based flat panel detector (FPD) with flexible data acquisition schemes, advance image processing, visualization and versatile storage capabilities.</p> <p>Flat Panel Detector (FPD)</p> <ul style="list-style-type: none"> • Easy switch between 4 field of view (FOV) levels: Normal/Mag1/Mag2/Mag3. These levels are pre-programmed and mapped to 4 control buttons on the FPD tower and the FOV can range from 17" (42 cm) to 5" (12 cm). • Effective number of pixels: 2840 x 2840

Page Seven
May 24, 2018

b. What is the age of the MRI equipment that will be purchased?

Response: It will be a new unit.

9. Section B, Need, Project Specific Review Criteria, Item 1

The applicant is missing digits in the figure for the minimum MRI procedures per year by the second year of service in 1.a. Please correct the figure (“25,0”) and provide a replacement page 21.

Response: A replacement page 21R is attached following this page.

10. Section B, Need, Project Specific Review Criteria, Item 2 (Access to MRI Units).

The applicant refers the reader of the application to “Table Seven-“A in Section B.III.B.I for project drive times. Please clarify if the applicant is referring to the table on page 41.

Response: Yes, the reference is to the table on page 41. Attached after this page is a revised page 22R correcting the name of the referenced table.

11. Section B, Need, Project Specific Review Criteria, Item 2 (Access to MRI Units).

Please provide documentation that the proposed MRI procedures will be offered in a physical environment that conforms to applicable federal standards, State and local requirements and to manufacturer’s specifications.

Response: The applicant has made this commitment in response to item 7 in the criteria, and it is further documented by the architect’s letter in Attachment B-Economic Feasibility-1E, which lists the applicable standards and codes. This documentation has always been accepted by HSDA in the past, without requiring applicants to recite specific technical requirements and specifications.

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care.” Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper, single-sided.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. *If a question does not apply to your project, indicate “Not Applicable (NA).”*

NEED

1. Provide a response to each criterion and standard in Certificate of Need categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the THSDA or found on the agency’s website at <http://tjn.gov/hsda/article/hsda-criteria-and-standards>.

The State Health Plan and Guidelines for Growth contain project-specific criteria for MRI Services and for Outpatient Diagnostic Centers. Following are responses to each set of criteria.

Project-Specific Review Criteria: MRI Services

1. Utilization Standards for non-Specialty MRI Units.

a. An applicant proposing a new non-Specialty stationary MRI service should project a minimum of at least 2,160 MRI procedures in the first year of service, building to a minimum of 2,520 procedures per year by the second year of service, and building to a minimum of 2,880 procedures per year by the third year of service.

Projected MRI procedures comply with this criterion.

Table B- State Health Plan-Criterion 1a: Projected MRI Utilization of Project			
	Year One--2021	Year Two--2022	Year Three--2023
State Plan Standard	2,160	2,520	2,880
Proposed MRI	2,250 (75% of Yr 3)	2,700 (90% of Yr 3)	3,000

b. Providers proposing a new non-Specialty mobile MRI service should project a minimum of at least 360 mobile MRI procedures in the first year of service per day of operation per week, building to an annual minimum of 420 procedures per day of operation per week by the second year of service, and building to a minimum of 480 procedures per day of operation per week by the third year of service and for every year thereafter.

Not applicable. This will be a stationary MRI.

c. An exception to the standard number of procedures may occur as new or improved technology and equipment or new diagnostic applications for MRI units are developed. An applicant must demonstrate that the proposed unit offers a unique and necessary technology for the provision of health care services in the Service Area.

Not applicable. The proposed MRI unit does not have unique capabilities.

d. Mobile MRI units shall not be subject to the need standard in paragraph 1 b if fewer than 150 days of service per year are provided at a given location. However, the applicant must demonstrate that existing services in the applicant's Service Area are not adequate and/or that there are special circumstances that require these additional services.

Not applicable. This will be a stationary MRI.

e. Hybrid MRI Units. The HSDA may evaluate a CON application for an MRI "hybrid" Unit (an MRI Unit that is combined/utilized with another medical equipment such as a megavoltage radiation therapy unit or a positron emission tomography unit) based on the primary purposes of the Unit.

Not applicable. This will not be a hybrid unit.

2. Access to MRI Units. All applicants for any proposed new MRI Unit should document that the proposed location is accessible to approximately 75% of the Service Area's population. Applications that include non-Tennessee counties in their proposed Service Areas should provide evidence of the number of existing MRI units that service the non-Tennessee counties and the impact on MRI unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity (if that data are available).

Table B-Need-5a(5) in Section B.III.B.1 later in the application shows that communities across each of the three service area counties are within 32 minutes' drive time of the project.

None of the service area counties is in, or adjoins, another State.

Page Eight
May 24, 2018

12. Section B, Need, Project Specific Review Criteria, Item 7.g (Emergency Transfer Agreements).

Please provide a response to the second part of the question that states the following, “an applicant’s arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.”

Response: Attached following this page is a revised page 26R affirming that.

13. Section B, Need. Item 5 (Historical Utilization in PSA)

a. The chart on page 40 refers to Davidson County residents in the Rutherford and Williamson sections of the chart. Please submit a corrected chart.

Response: Attached following this page is a revised page 40 table correcting that.

b. Please clarify if there are unimplemented services of similar healthcare providers in the proposed 3 county service area.

Response: There are three: CN1705-016 for Vanderbilt Medical Center to add a pediatric MRI (Davidson County; CN1512-067 for Williamson Medical Center to initiate MRI in its ODC (Williamson County); and CN1701-003 for Premier Radiology/Saint Thomas to place an ODC/MRI in southeastern Rutherford County.

When these three are implemented, it will give the project service area 65.7 non-specialty units. Even applied to 2017 area utilization, the service area would still be at 100% of the 2,880-procedure State Health Plan Guideline. ($190,969 \text{ procedures} / 65.7 / 2,880 = 100\%$). However, these three MRI’s are not now open Future demand must be considered. At the applicant’s projected 2% annual increase in service area MRI procedures, the applicant’s table on page 43 projects 206,7112 area procedures in Year One of the project, which is sufficient to justify five more MRI units under the State Plan Guideline of an area average of 2,880 per MRI--two more than the three approved, unimplemented MRIs.

14. Section B, Need. Item 6 (Historical Utilization in PSA)

The applicant notes in the application Radiology Alliance is widely known among referring physicians for its deep expertise in MRI interpretation. Please indicate if there are any physician support letters that documents this statement.

requests for MRI will routinely identify requested studies that need to be reviewed with the requesting physician as to appropriateness and necessity.

e. An applicant proposing to acquire any MRI Unit or institute any MRI service, including Dedicated Breast and Extremity MRI Units, shall demonstrate that it meets or is prepared to meet the staffing recommendations and requirements set forth by the American College of Radiology, including staff education and training programs.

The applicant's MRI service will be ACR-accredited. Part of the accreditation process is assurance of appropriate staff education and training. The applicant is committed to meet the staffing and staff education and training requirements of the ACR.

f. All applicants shall commit to obtain accreditation from the Joint Commission, the American College of Radiology, or a comparable accreditation authority for MRI within two years following operation of the proposed MRI Unit.

The applicant will seek ACR Accreditation for its equipment within two years of opening the MRI service.

g. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.

The applicant will seek emergency transfer agreements from TriStar Southern Hills Medical Center and TriStar StoneCrest Medical Center. The ODC's Medical Director will be on the active medical staff of both these facilities. Radiology Alliance radiologists are all on the active staff of all area HCA facilities because they provide teleradiology interpretations for all those facilities.

8. The applicant should provide assurances that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.

The applicant will do so.

9. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, "Every citizen should have reasonable access to health care," the HSDA may decide to give special consideration to an applicant:

a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;

The project is not located in an area with such Federal designation.

Table B-Need-5a(4): Providers of MRI Services to Primary Service Area Counties, 2017

Provider County	Provider Type	Provider	Year	Resident County	Number of Procedures
Davidson	HOSP	Vanderbilt University Medical Center	2017	Davidson	6,905
Davidson	PO	Tennessee Orthopaedic Alliance Imaging	2017	Davidson	4,358
Davidson	ODC	Premier Radiology Hermitage	2017	Davidson	3,855
Davidson	HOSP	TriStar Centennial Medical Center	2017	Davidson	3,657
Davidson	HOSP	TriStar Skyline Medical Center	2017	Davidson	3,649
Davidson	ODC	Premier Radiology Belle Meade	2017	Davidson	3,176
		Other Providers Serving 5% or Less of County Patients			33,771
Total MRI Procedures for Davidson County Residents					59,371
Rutherford	ODC	Premier Radiology Murfreesboro	2017	Rutherford	4,731
Rutherford	PO	Tennessee Orthopaedic Alliance Imaging	2017	Rutherford	3,579
Rutherford	ODC	Premier Radiology Smyrna	2017	Rutherford	3,196
Rutherford	HOSP	TriStar Stonecrest Medical Center	2017	Rutherford	2,162
Rutherford	PO	Murfreesboro Medical Clinic-Garrison Drive	2017	Rutherford	1,974
Davidson	HOSP	Vanderbilt University Medical Center	2017	Rutherford	1,908
Rutherford	HOSP	St. Thomas Rutherford Hospital	2017	Rutherford	1,336
		Other Providers Serving 5% or Less of County Patients			5,550
Total MRI Procedures for Rutherford County Residents					24,436
Williamson	ODC	Premier Radiology Cool Springs	2017	Williamson	2,894
Williamson	ODC	Cool Springs Imaging	2017	Williamson	2,436
Davidson	HOSP	Vanderbilt University Medical Center	2017	Williamson	2,013
Williamson	HOSP	Williamson Medical Center	2017	Williamson	1,985
Williamson	PO	Vanderbilt Bone and Joint	2017	Williamson	1,683
Davidson	PO	Elite Sports Medicine & Orthopaedic Center	2017	Williamson	1,673
		Other Providers Serving 5% or Less of County Patients			7,344
Total MRI Procedures for Williamson County Residents					20,028

Medical Equipment Registry - 4/26/2018

Page Nine
May 24, 2018

Response: No support letters have been requested from referring physicians. Radiology Alliance's being the contracted professional services organization for six hospitals in the project service area for five years is considered sufficient documentation that referring physicians have confidence in their professional expertise.

15. Section B, Economic Feasibility, Items 1 (Project Costs Chart)

a. The lease expense chart on page 48 is noted. However, please clarify why rentable SF is listed as 7,967 SF in the chart on page 48, and only 6,890 SF in the square footage and cost per square footage chart on page 18 of the application.

Response: The 7,967 RSF lease figure is taken from the lease itself, on page 1 of the first amendment to the lease. It includes not only the project space, but also a "gross-up" of the project space to include tenant's use of common areas, which is standard in all such leases. The space actually occupied by the ODC, per the architect, is 6,890 SF, which is the appropriate figure to use in calculating renovation costs and costs per square foot. The project does not include common areas in any way except the calculation of lease payments.

b. The Antioch ODC Equipment Costs on page 49 of the application is noted. However, none of the figures appear to match the \$4,146,282 Equipment Costs listed in the Project Costs Chart. Please clarify.

Response: A revised Project Cost Chart (page 47R) and Equipment Cost Chart (page 49R) are attached following this page. They correct an Excel formula error in one cell of the Equipment Cost Chart. Also, new equipment quotes allow the applicant to lower the inflation contingency in the Equipment Cost Chart from 10% to 5%.

c. Please discuss the alternative of utilizing a mobile MRI unit to serve this location rather than installing a fixed unit.

Response: There is no mobile unit available that could provide the anticipated volume of MRI scans for this location. An ODC serving an area this size cannot rely on a part-time MRI unit to meet patient needs.

PROJECT COST CHART-- ANTIOCH OUTPATIENT DIAGNOSTIC CENTER

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	8%	\$	157,094
2. Legal, Administrative, Consultant Fees (Excl CON Filing Fee)			50,000
3. Acquisition of Site			0
4. Preparation of Site			0
5. Total Construction Cost	6890 SF @ \$285 minus TI		1,963,678
6. Contingency Fund	5%		98,184
7. Fixed Equipment (Not included in Construction Contract)			2,626,858
8. Moveable Equipment (List all equipment over \$50,000 as separate attachment)			5,000
9. Other (Specify)	IS / telecommunications		177,000
	furnishings		10,000

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	7 yrs lease outlay		1,683,651
2. Building only			0
3. Land only			0
4. Equipment (Specify)			0
5. Other (Specify)	Equipment Service Agreements		1,747,852

C. Financing Costs and Fees:

1. Interim Financing			127,195
2. Underwriting Costs			
3. Reserve for One Year's Debt Service			
4. Other (Specify)			

D. Estimated Project Cost
(A+B+C)

8,646,512

E. CON Filing Fee

49,717

F. Total Estimated Project Cost (D+E)

TOTAL \$ 8,696,230

Actual Capital Cost 5,264,727
Section B FMV 3,431,503

May 25, 2018

12:21 P.M.

ANTIOCH ODC EQUIPMENT COSTS (Revised on Supplemental Responses)									
MODALITY	EQUIPMENT COST	STATE SALES TAX	COUNTY SALES TAX	TOTAL COST	SERVICE AGREEMENT ANNUAL COST	SERVICE AGREEMENT TERM	SERVICE AGREEMENT PAYMENT TOTAL	COST PLUS SERVICE AGREEMENT OUTLAY	VENDOR
MRI	\$1,026,616	\$77,402	\$23,099	\$1,127,117	\$113,600	6	\$681,600	\$1,808,717	GE
CT	\$595,905	\$40,417	\$13,408	\$649,730	\$90,420	7	\$632,940	\$1,282,670	GE
Ultrasound	\$109,720	\$7,760	\$2,469	\$119,949	\$12,787	7	\$89,509	\$209,458	GE
R&F(x-ray)	\$496,543	\$24,527	\$11,172	\$532,243	\$39,000	6	\$234,000	\$766,243	GE
Bone Density	\$66,500	\$4,735	\$1,496	\$72,731	\$6,643	4	\$26,572	\$99,303	HOLOGIC
TOTALS	\$2,295,285	\$154,841	\$51,644	\$2,501,769	\$262,450		\$1,664,621	\$4,166,390	
5% Increase Potential	\$2,410,049	\$162,583	\$54,226	\$2,626,858	\$275,573		\$1,747,852	\$4,374,710	

Source: Applicant's management.

Notes: 1. SA = Service Agreement annual cost applies in Year Two and thereafter.

2. Year Two Expenses on the Projected Data Chart will include service agreement costs.

3. Totals above will not be exact due to rounding of columns to the nearest dollar.

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May 24, 2018

16. Section B, Economic Feasibility, Items 1.E (Licensed Architect Letter)

a. The licensed architect letter supporting the estimated construction costs are noted. However, the applicant on page 75 requests 3 year expiration on the Certificate of Need (if granted) because of the demolition and removal of a very large bank vault from a previous tenant that will require an unusual amount of time. Please clarify why this demolition was not mentioned in the architect's letter.

b. What is the cost of the demolition and removal of the bank vault?

Response: It was not requested that the architect mention it. Attached after this page is a communication from the architect affirming that the demolition and removal of the vault will require significant additional cost and time, compared to a simple build-out of existing commercial space.

c. Also, would it be more financially feasible to obtain a site for the project that would not require the demolition of a bank vault?

Response: This site is appropriate because it is very accessible to major roadways such as I-24, and because it currently houses medical offices whose physicians want such services in close proximity to them for their patients' ease of access. The special demolition needs of the site are not determining factors for a long-range commitment of resources to this location.

17. Section B, Economic Feasibility, Item 2 (Funding)

a. It is noted MEDNAX will provide the funding for the proposed project. However, MEDNAX is not part of the ownership of the applicant. Please provide documentation between MEDNAX and the applicant that MEDNAX will fund the project through a cash grant, sustain the operation financially as needed, and financial support from MEDNAX will be repaid from the project's earnings.

Response: The submitted funding commitment letter did commit to fund the project and to sustain the operation "as described in the application", and the application stated that MEDNAX in return would be repaid from the project's earnings. A second letter clarifying this in more particularity is attached following this page.

12:21 P.M.

Subject: Radiology Alliance Imaging Center

Date: Thursday, May 24, 2018 at 4:57:14 PM Central Daylight Time

From: Martin Franks

To: John Wellborn

CC: William Quigg, Kirk Hintz

John,

It was a pleasure talking to you today.

Per our conversation, there are a number of unknowns with the existing vault that would increase the complexity and timeframe of the demolition for that space. It could take up to two months and an undetermined amount of money for removal depending on what type of vault it is and how it was installed originally. Furthermore, the location of the vault and not being on an external wall adds to the overall complexity of its removal.

Thanks,

Martin Franks, AIA
Senior Vice President

HFR DESIGN

214 Centerview Drive Suite 300
Brentwood, TN 37027
615.370.8500 p | 615.512.1577 m

May 25, 2018

12:21 P.M.

1301 Concord Terrace
Sunrise, FL 33323
800.243.3839
www.mednax.com



Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Antioch Outpatient Diagnostic Center

Dear Ms. Hill:

Tennessee Imaging Services, LLC, is filing an application to establish a licensed Outpatient Diagnostic Center with MRI and related imaging services, in southeastern Davidson County in Antioch, TN.

As the Senior VP/Chief Accounting Officer of MEDNAX, Inc. I am writing to confirm that we are prepared to fund and sustain this endeavor as described in the application and this memo. Our most recent financial statements are provided in the application.

The estimated total capital expenditure needed to implement this project is approximately \$5,312,400. In return for this capital, once the ODC has a positive free cash flow, MEDNAX will be entitled to 99% of the project's free cash flow on an annual basis until the year 2040 as repayment. An estimated payoff table is enclosed with this memo for your review.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Pepia".

John C. Pepia
Senior Vice President, Chief Accounting Officer
MEDNAX, Inc.

Enclosures:

- 1) Payoff Estimation Table for Antioch ODC Project Funding

A faint, stylized logo consisting of the letters "MD" in a bold, sans-serif font.



HEALTH SOLUTIONS PARTNER

Payoff Estimation Table for Antioch ODC Project Funding

<u>Fiscal Year</u>	<u>Amount</u>
2021	-
2022	-
2023	\$124,945
2024	\$299,400
2025	\$350,894
2026	\$373,125
2027	\$371,747
2028	\$363,146
2029	\$348,101
2030	\$329,424
2031	\$329,424
2032	\$329,424
2033	\$329,424
2034	\$329,424
2035	\$329,424
2036	\$329,424
2037	\$329,424
2038	\$329,424
2039	\$329,424
2040	\$329,424
Total Sum of Repayment	\$5,855,026
Original Capital Funding	\$5,312,400
MEDNAX Return on Loan	\$542,626

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b. It is noted financial support from MEDNAX will be repaid from the project's earnings. Please clarify how this is feasible since the applicant will sustain net losses in Year One and Year Two of the proposed project.

Response: The project shows a positive cash flow for Year Two and beyond; and the applicant's projections show that it will not sustain net losses for more than a short initial period of operation.

c. Does MEDNAX have a relationship with HCA?

Response: MEDNAX has other affiliated physician practices that provide maternal-fetal medicine, neonatology and anesthesiology services at HCA facilities, including TriStar.

18. Section B, Economic Feasibility, Item 4 (Projected Data Chart)

It is noted there are management fees designated in Year One, Two, and Three in the two Projected Data Charts provided. However, there are no management agreements included in the application. Please clarify.

Response: There are no management contracts contemplated. The entries in Management fees paid to affiliates should have been included as Other Expenses. They consist of support services provided by Infinity Management in the areas of billing and collection, information systems, physician credentialing, etc. Attached following this page are pages 54R-57R, revised Projected Data Charts, with this corrected. This does not change the Net Operating Margin Ratios.

19. Section B., Economic Feasibility, Item 5.a.

The MRI only charge chart on page 58 is noted. However, there appears to be slight errors in Project Year Two figures. Please revise and submit a replacement page 58.

Response: A \$2 error was found for Deduction from Revenue and Average Net Charge for Year Two. Attached following this page is a revised page 58R.

20. Section B., Economic Feasibility, Item 5.c.

Please also include a comparison to HSDA Equipment Registry MRI range of charges in the response to this question (1st Quartile, Median, 3rd Quartile).

PROJECTED DATA CHART —ANTIOCH ODC — INCLUDING ALL MODALITIES

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2021 (Year One)	Year 2022 (Year Two)	Year 2023 (Year Three)
A.	Utilization Data (Specify unit or measure)			
	Procedures	9,608	11,529	12,810
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$	\$	\$
2.	Outpatient Services	\$ 5,824,151	\$ 6,988,981	\$ 7,765,535
3.	Emergency Services	\$	\$	\$
4.	Other Operating Revenue (Specify) <u>See notes page</u>	\$	\$	\$
	Gross Operating Revenue	\$ 5,824,151	6,988,981	7,765,535
C.	Deductions from Gross Operating Revenue			
1.	Contractual Adjustments	\$ 3,545,091	\$ 4,240,434	\$ 4,696,324
2.	Provision for Charity Care	\$ 18,868	\$ 22,755	\$ 25,410
3.	Provisions for Bad Debt	\$ 252,917	\$ 305,018	\$ 340,603
	Total Deductions	\$ 3,816,876	\$ 4,568,207	\$ 5,062,337
	NET OPERATING REVENUE	\$ 2,007,275	\$ 2,420,774	\$ 2,703,198
D.	Operating Expenses			
1.	Salaries and Wages			
a.	Clinical	\$ 373,197	\$ 384,393	\$ 395,925
b.	Non-Clinical	\$ 207,511	\$ 213,736	\$ 220,148
2.	Physicians Salaries and Wages	\$	\$	\$
3.	Supplies	\$ 108,342	\$ 130,011	\$ 144,456
4.	Rent			
c.	Paid to Affiliates	\$ 196,376	\$ 201,285	\$ 206,317
d.	Paid to Non-Affiliates			
5.	Management Fees			
a.	Paid to Affiliates	\$	\$	\$
b.	Paid to Non-Affiliates	\$	\$	\$
6.	Other Operating Expenses <u>See notes page</u>	\$ 1,044,074	\$ 1,201,378	\$ 1,308,706
	Total Operating Expenses	\$ 1,929,500	\$ 2,130,803	\$ 2,275,552
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 77,776	\$ 289,972	\$ 427,646
F.	Non-Operating Expenses			
1.	Taxes	\$ 11,871	\$ 23,886	\$ 33,656
2.	Depreciation	\$ 155,861	\$ 155,861	\$ 155,861
3.	Interest	\$	\$	\$
4.	Other Non-Operating Expenses	\$ 148,000	\$ 149,935	\$ 111,922
	Total Non-Operating Expenses	\$ 315,732	\$ 329,682	\$ 301,439
	NET INCOME (LOSS)	\$ (237,956)	\$ (39,710)	\$ 126,206

Chart Continues Onto Next Page

Supplemental #1

May 25, 2018
12:21 P.M.

	Year 2021	Year 2022	Year 2023
NET INCOME (LOSS)	\$ (237,956)	(39,710)	126,206
G. Other Deductions			
1. Annual Principal Debt Repayment	\$		
2. Annual Capital Expenditure			
Total Other Deductions	\$ 0	0	0
NET BALANCE	\$ (237,956)	(39,710)	126,206
DEPRECIATION	\$ 155,861	155,861	155,861
FREE CASH FLOW (Net Balance + Depreciation)	\$ (82,095)	116,151	282,067

Note: Beginning at Year Three the applicant will pay 99% of its free cash flow to MEDNAX in repayment of project financing.

PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES

	Year 2021	Year 2022	Year 2023
1. Professional Services Contract	\$ 549,747	662,995	740,344
2. Service Expense	\$ 279,470	279,470	279,470
3. Archive Fees	\$ 34,203	41,043	45,604
4. Administrative Support Fees	\$ 180,655	217,870	243,288
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
Total Other Expenses	\$ 1,044,074	1,201,378	1,308,706

X
0 TOTAL FACILITY
PROJECT ONLY

PROJECTED DATA CHART --ANTIOCH ODC-- MRI ONLY

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2021 (Year One)	Year 2022 (Year Two)	Year 2023 (Year Three)
A.	Utilization Data (Specify unit or measure)			
	Procedures	2,250	2,700	3,000
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$	\$	\$
2.	Outpatient Services	\$ 2,818,889	\$ 3,382,667	\$ 3,758,519
3.	Emergency Services	\$	\$	\$
4.	Other Operating Revenue	\$	\$	\$
	(Specify) See notes page			
	Gross Operating Revenue	\$ 2,818,889	3,382,667	3,758,519
C.	Deductions from Gross Operating Revenue			
1.	Contractual Adjustments	\$ 1,715,824	\$ 2,052,370	\$ 2,273,021
2.	Provision for Charity Care	\$ 9,132	\$ 11,014	\$ 12,298
3.	Provisions for Bad Debt	\$ 122,412	\$ 147,628	\$ 164,852
	Total Deductions	\$ 1,847,368	\$ 2,211,012	\$ 2,450,171
	NET OPERATING REVENUE	\$ 971,521	\$ 1,171,655	\$ 1,308,348
D.	Operating Expenses			
1.	Salaries and Wages			
a.	Clinical	\$ 180,627	\$ 186,046	\$ 191,627
b.	Non-Clinical	\$ 100,435	\$ 103,448	\$ 106,552
2.	Physicians Salaries and Wages	\$ 0	\$ 0	\$ 0
3.	Supplies	\$ 52,438	\$ 62,925	\$ 69,917
4.	Rent			
c.	Paid to Affiliates	\$ 95,046	\$ 97,422	\$ 99,858
d.	Paid to Non-Affiliates			
5.	Management Fees			
a.	Paid to Affiliates	\$ 0	\$ 0	\$ 0
b.	Paid to Non-Affiliates	\$	\$	\$
6.	Other Operating Expenses	\$ 505,332	\$ 581,467	\$ 633,414
	See notes page			
	Total Operating Expenses	\$ 933,878	\$ 1,031,308	\$ 1,101,367
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 37,644	\$ 140,346	\$ 206,980
F.	Non-Operating Expenses			
1.	Taxes	\$ 5,745	\$ 11,561	\$ 16,290
2.	Depreciation	\$ 75,437	\$ 75,437	\$ 75,437
3.	Interest	\$ 0	\$ 0	\$ 0
4.	Other Non-Operating Expenses	\$ 71,632	\$ 72,569	\$ 54,170
	Total Non-Operating Expenses	\$ 152,814	\$ 159,566	\$ 145,897
	NET INCOME (LOSS)	\$ (115,171)	\$ (19,220)	\$ 61,084

Chart Continues Onto Next Page

Supplemental #1**May 25, 2018**

Year 2022

Year 2023

12:21 P.M.

	Year 2021	Year 2022	Year 2023
NET INCOME (LOSS)	\$ (115,171)	(19,220)	61,084
G. Other Deductions			
1. Annual Principal Debt Repayment	\$		
2. Annual Capital Expenditure			
Total Other Deductions	\$ 0	0	0
NET BALANCE	\$ (115,171)	(19,220)	61,084
DEPRECIATION	\$ 75,437	75,437	75,437
FREE CASH FLOW (Net Balance + Depreciation)	\$ (39,734)	56,217	136,520

Note: Beginning at Year Three the applicant will pay 99% of its free cash flow to MEDNAX in repayment of project financing.

PROJECTED DATA CHART -- OTHER EXPENSES**OTHER EXPENSES CATEGORIES**

	Year 2021	Year 2022	Year 2023
1. Professional Services Contract	\$ 266,077	320,889	358,326
2. Service Expense	\$ 135,263	135,263	135,263
3. Archive Fees	\$ 16,554	19,865	22,072
4. Administrative Support Fees	\$ 87,437	105,449	117,751
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
Total Other Expenses	\$ 505,332	581,467	633,413

0
X
**TOTAL FACILITY
PROJECT ONLY**

5.A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

MRI Only	Project Previous Year	Project Current Year	Project Year One	Project Year Two	% Change (Current Yr to Yr2)
Gross Charge (Gross Operating Revenue/Utilization Data)	NA	NA	\$1253	\$1253	none
Deduction from Revenue (Total Deductions/Utilization Data)	NA	NA	\$821	\$819	none
Average Net Charge (Net Operating Revenue/Utilization Data)	NA	NA	\$432	\$434	none

ODC Including MRI	Project Previous Year	Project Current Year	Project Year One	Project Year Two	% Change (Current Yr to Yr2)
Gross Charge (Gross Operating Revenue/Utilization Data)	NA	NA	\$606	\$606	none
Deduction from Revenue (Total Deductions/Utilization Data)	NA	NA	\$397	\$396	-.025%
Average Net Charge (Net Operating Revenue/Utilization Data)	NA	NA	\$209	\$210	+0.5%

B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

This is a proposed facility without an existing charge structure that could be impacted. The revenues projected for the facility are shown in the preceding Projected Data Charts.

C. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

The following two pages provide CY2016 average gross charges reported to the HSDA Registry by MRI and CT providers in the three-county service area. The applicant's projected CY2021 average gross charges in CY2021 are \$1,253 for MRI and \$956 for CT. The applicant's MRI charge is in the first quartile of area charges in this table.

The third following page provides the projected average charges and the current Medicare reimbursement for the MRI and CT procedures expected to be most frequently performed at this ODC.

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May 24, 2018

Response: This has been done in revised page 58R; see preceding question and response.

21. Section B., Economic Feasibility, Item 6.a. and 6 b.

a. Please provide copies of the applicant's parent companies' balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable.

Response: The requested income statement and balance sheet from American Radiology Holdings, LLC ("ARH") are provided following this page. This LLC was created at the beginning of CY2017; it has no audited statements.

b. Please provide the most recent Net Operating Margin Ratio and Capitalization Ratio for the applicant's parent company using the most recent audited financial documents.

Response: The Net Operating Margin Ratio for ARH is listed on the income statement as 15.1%. It is not possible to provide a capitalization ratio because ARH has no long-term debt.

22. Section B., Economic Feasibility, Item 8

The projected staffing table on page 65 is noted. However, there are calculation errors. Please correct and submit a replacement page 65 (65-R).

Response: Thank you for noting this. The table should have listed 1.0 insurance verification staff rather than 3.0. The total employees will be 7.0 FTE's as stated originally, with another 0.5 temporary contract staff to cover for employee vacations and other time off. Replacement page 65-R is attached following this page.

23. Section B, Orderly Development, Item 3.A

On page 68 the applicant notes only 7 new FTEs need to be recruited in Year One. However, the total appears to be 12. Please correct and submit a replacement page 68 (labeled as 68-R).

Response: With the correction submitted under question #22 above, the 7 FTE figure (not including temporary employees) remains the correct number that need to be recruited.

**American Radiology Holdings, P.C.
Financial Statements
For the year ended
December 31, 2017**

(Unaudited)

American Radiology Holdings, P.C.
Balance Sheet
December 31, 2017

(Unaudited)

ASSETS

Current assets:

Cash and cash equivalents	\$ 785,497
Accounts receivable, net.....	7,704,277
Prepaid expenses.....	243,462
Total current assets	8,733,236

Property and equipment, net.....	2,107,051
Other assets	1,809,150
Total assets	\$ 12,649,437

LIABILITIES AND EQUITY

Current liabilities:

Accounts payable and accrued expenses	\$ 3,203,843
Current portion of capital lease obligations	273,738
Total current liabilities.....	3,477,581

Long-term capital lease obligations.....	144,442
Long-term professional liabilities.....	2,900,000
Total liabilities	6,522,023

Total equity	6,127,414
Total liabilities and equity	\$ 12,649,437

American Radiology Holdings, P.C.
Statement of Income
January 27, 2017 through December 31, 2017

(Unaudited)

Net revenue	\$ 47,181,460
Operating expenses:	
Practice salaries and benefits	31,616,792
Practice supplies and other operating expenses	3,199,173
General and administrative expenses	3,853,219
Depreciation and amortization	1,367,973
Total operating expenses	<u>40,037,157</u>
 Income from operations	 7,144,303
 Investment income	 (211,406)
Interest expense	<u>(18,325)</u>
Total non-operating expenses	<u>(229,731)</u>
 Income before income taxes	 <u>\$ 6,914,572</u>

Supplemental Statement of Income Information:

Operating margin ratio(1)	15.1%
(1) Income from operations as a percentage of net revenue	

**American Radiology Holdings, P.C.
Notes to Financial Statements
December 31, 2017**

(Unaudited)

Basis of Presentation:

These unaudited financial statements have been prepared by management of American Radiology Holdings, P.C. and are intended solely for use by certain third-parties in connection with applications for a certificate of need and are not intended to be and should not be used by anyone other than these specified parties. In this respect, the financial statements do not reflect various adjustments required by the accounting principles generally accepted in the United States ("GAAP") and omit all of the disclosures required to conform with GAAP. The financial information does not include allocations for the ultimate parent company's assets, liabilities and expenses such as goodwill, intangible assets, long-term debt, income taxes and interest expense. Accordingly, these financial statements should not be considered an alternative to financial statements determined in accordance with GAAP.

May 25, 2018

12:21 P.M.

Table Economic Feasibility-8: Antioch Outpatient Diagnostic Center Projected Staffing				
Position Classification	Existing FTEs	Projected FTEs (Yr 1)	Average Wage (Contractual Rate)	Statewide Mean Wage
A. Direct Patient Care Positions				
CT Tech		1.00	\$82,929	\$57,720
MRI Tech		1.00	\$81,840	\$57,720
Ultrasound Tech		1.00	\$87,648	NA
X-Ray Tech		1.00	\$75,240	\$50,770
Total Direct Patient Care Positions		4.00		
B. Non-Patient Care Positions				
Site Manager		1.00	\$89,500	NA
Receptionist		1.00	\$40,491	NA
Insurance Verifier/Precent		1.00	\$40,904	NA
Total Non-Patient Care Positions		3.00		
Total Employees (A + B)		7.00		
C. Contractual Staff (temp techs)				
Total Staff (A+B+C)		7.50	\$40,000	

Source: Applicant's management.

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24. Section B, Quality Measures

Please verify and acknowledge the applicant will be evaluated annually whether the proposal will provide health care that meets appropriate quality standards upon the following factors:

(3) Quality. Whether the proposal will provide health care that meets appropriate quality standards may be evaluated upon the following factors:

(a) Whether the applicant commits to maintaining staffing comparable to the staffing chart presented in its CON application;

Response: The applicant acknowledges that the project will be evaluated annually, and makes this commitment.

(b) Whether the applicant will obtain and maintain all applicable state licenses in good standing;

Response: The applicant acknowledges that the project will be evaluated annually, and makes this commitment.

(c) Whether the applicant will obtain and maintain TennCare and Medicare certification(s), if participation in such programs was indicated in the application;

Response: The applicant acknowledges that the project will be evaluated annually, and makes this commitment.

(d) Whether an existing healthcare institution applying for a CON has maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action shall be considered;

Response: Not applicable; the applicant is not an existing institution. The applicant's parent owns Specialty Imaging, a Davidson County ODC, and that facility has been in compliance for the past three years and beyond.

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May 24, 2018

(e) Whether an existing health care institution applying for a CON has been decertified within the prior three years. This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility;

Response: Not applicable; the applicant is not an existing institution. The applicant's parent has recently acquired Specialty Imaging, a Davidson County ODC, and that facility has never been decertified.

(f) Whether the applicant will participate, within 2 years of implementation of the project, in self-assessment and external assessment against nationally available benchmark data to accurately assess its level of performance in relation to established standards and to implement ways to continuously improve.

This may include accreditation by any organization approved by Centers for Medicare and Medicaid Services (CMS) and other nationally recognized programs. The Joint Commission or its successor, for example, would be acceptable if applicable. Other acceptable accrediting organizations may include, but are not limited to, the following: American College of Radiology, for Positron Emission Tomography, Magnetic Resonance Imaging and Outpatient Diagnostic Center projects;

Response: The applicant will participate in such processes as part of its accreditation process from the American College of Radiology.

Additional Amendments Offered by Applicant

Attached following this page is a revised page 70R. The applicant has identified one incident of paying a civil penalty in the past several years. In 2016 a Radiology Alliance coding supervisor identified that her staff had inadvertently over-billed Medicare on physicians' billing numbers, for some services provided in fact by nurse practitioners and physician assistants working under those physicians' supervision. This error was self-reported by Radiology Alliance to the OIG, and Radiology Alliance proffered a repayment that Radiology Alliance calculated as the exact amount of overpayment by Medicare. OIG immediately accepted this self-reported offer without site visit, or even comment. While this is classified as a penalty in OIG web references, it was not discovered or imposed by OIG; it was done solely at Radiology Alliance's initiative.

B. Been subjected to any of the following:

- (1) Final Order or Judgment in a State licensure action;**
- (2) Criminal fines in cases involving a Federal or State health care offense;**
- (3) Civil monetary penalties in cases involving a Federal or State health care offense;**
- (4) Administrative monetary penalties in cases involving a Federal or State health care offense;**
- (5) Agreement to pay civil or monetary penalties to the Federal government or any State in cases involving claims related to the provision of health care items and services; and/or**
- (6) Suspension or termination of participation in Medicare or Medicaid/TennCare programs;**
- (7) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware;**
- (8) Is presently subject to a corporate integrity agreement.**

The applicant has identified one incident of paying a civil “penalty” in the past several years although this was not in reality a penalty imposed by OIG.

In 2016 a Radiology Alliance coding supervisor identified instances where her staff had inadvertently over-billed Medicare on physicians’ billing numbers, for some services provided in fact by nurse practitioners and physician assistants working under those physicians’ supervision.

This error was self-reported by Radiology Alliance to the OIG, along with a proffered repayment that Radiology Alliance calculated as the exact amount of overpayment by Medicare.

OIG immediately accepted this self-reported offer as a full resolution of a debt, without even comments or a site visit. While this is classified as a “penalty” in OIG web references, it was not discovered or imposed by OIG; it was done solely at Radiology Alliance’s initiative.


May 25, 2018

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May 24, 2018

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,


John Wellborn
Consultant

May 25, 2018
BILL GARRETT, Davidson County
Trans: 120160063901 DOT
Recvd: 07/25/16 14:58 16 pgs
Fees: 83.00 Taxes: 5172.70
20160725-0076476

THIS INSTRUMENT PREPARED BY:
Catherine H. Gwyn
**GULLETT, SANFORD, ROBINSON
& MARTIN, PLLC**
150 Third Avenue South, Suite 1700
Nashville, TN 37201

THIS INSTRUMENT SHALL
CONSTITUTE A FIXTURE FILING.
THIS DEED OF TRUST IS FOR
COMMERCIAL PURPOSES AND
SECURES OBLIGATORY ADVANCES.

When Recorded Return to:
Title Source, Inc. -
Commercial Team
662 Woodward Avenue
Detroit, MI 48226
TSI#: 1011637397

MAXIMUM PRINCIPAL
INDEBTEDNESS FOR TENNESSEE
RECORDING TAX PURPOSES IS
\$4,500,000.00.

DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS DEED OF TRUST (this "Instrument") is made effective as of the 19th day of July, 2016 (the "Effective Date"), among the Grantor, **Freeland Realty 4, LLC**, a Tennessee limited liability company, whose address is 5333 Hickory Hollow Parkway, Antioch, Tennessee 37013 ("Borrower"), **Catherine H. Gwyn, Trustee**, whose residence address is Davidson County, Tennessee ("Trustee"), and the Beneficiary, **Ally Bank**, a Utah state chartered bank, whose address is 6985 Union Park Center, Suite 435, Salt Lake County, Midvale, Utah 84047 ("Bank").

Borrower, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants, conveys, and assigns to Trustee, in trust, with power of sale, the property located in Davidson County, Tennessee, as more particularly described on Exhibit A, attached hereto and incorporated by reference herein.

Together with all buildings, improvements, and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil, and gas rights and profits, water, water rights, and water stock appurtenant to the property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances, and goods of every nature whatsoever now or hereafter located in or on or used or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air, and light, and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets,

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paneling, attached floor coverings, antennas, trees, and plants; all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the real property covered by this Instrument; and all of which, together with said property, are herein referred to as the "Property".

IN TRUST, TO SECURE to Bank the following: (a) the repayment of all indebtedness evidenced by Commercial Real Estate Loan and Security Agreement and Promissory Note of even date herewith executed by Borrower in favor of Bank evidencing the principal sum of **FOUR MILLION FIVE HUNDRED THOUSAND AND NO/100 (\$4,500,000.00) DOLLARS**, with interest thereon and payments as provided therein, with the balance of the indebtedness due and payable on August 1, 2026, together with all renewals, modifications, and extensions thereof (the "Loan Agreement"); (b) the payment of all other sums with interest thereon, as set forth in the Loan Agreement, advanced in accordance herewith to protect the security of this Instrument; (c) the performance of the covenants and agreements of Borrower contained herein and in the Loan Agreement; and (d) the payment of any and all indebtedness, whether direct or indirect, now or hereafter owing to Bank by Borrower, regardless of the type, class, or purpose of any such other indebtedness and however such indebtedness is evidenced, including, without limitation, the repayment of any future advances made by Bank, together with interest thereon. All of the above shall be hereinafter referred to collectively as the "Indebtedness".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant, convey, and assign the Property, that the Property is unencumbered, and that Borrower shall warrant and defend generally the title to the Property against all claims and demands, subject only to those matters listed on the attached Exhibit B.

BORROWER AND BANK COVENANT AND AGREE AS FOLLOWS:

SECTION 1. PAYMENT OF PRINCIPAL AND INTEREST.

Borrower shall promptly pay when due all principal and interest due on the Indebtedness, including, but not limited to, any prepayment and late charges provided in the Loan Agreement, and the principal and interest due on any other obligations secured by this Instrument.

SECTION 2. TAXES, INSURANCE, AND OTHER CHARGES.

If required by Bank at any time during the term of the Indebtedness secured hereby, Borrower shall pay all taxes, assessments, insurance premiums, ground rents, and other charges, fines, and impositions attributable to the Property by making payments, when due, directly to the persons entitled to collect such payments. Borrower upon request shall promptly furnish to Bank all notices of amounts due under this Section and receipts evidencing the timely payment of all such amounts.

If requested by Bank at any time after occurrence of a Default hereunder, Borrower shall pay to Bank, on a monthly basis in addition to other payments due under the Loan Agreement and until the Loan Agreement is paid in full, a sum (hereinafter referred to as "Funds") equal to one-twelfth (1/12) of any yearly taxes, assessments, ground rents and other charges attributable to the Property, plus one-twelfth (1/12) of the yearly premiums for all insurance policies required

hereunder. Bank shall reasonably calculate, in its sole and absolute discretion, the amount of Funds required pursuant to this Section.

So long as there is no default hereunder, Bank shall apply the Funds to pay taxes, assessments, charges, insurance premiums, and ground rents. Bank shall not be required to pay any interest or earnings on the Funds, and the Funds are hereby pledged as additional security for the Indebtedness. This Instrument shall be considered a security agreement granting Bank a security interest in the Funds, and, if there is a default under this Instrument, Bank may apply the funds to reduce the Indebtedness.

If the Funds held by Bank exceed the amount required to pay taxes, assessments, insurance premiums, ground rents, and other charges as they fall due, and if there is no default under this Instrument and the Loan Agreement, the excess shall be promptly refunded or credited against the sums secured hereby, at Borrower's option. If the amount of the Funds held by Bank is not sufficient to pay taxes, assessments, insurance premiums, ground rents, and other charges as they fall due, Borrower shall pay to Bank the amount necessary to make up the deficiency within ten (10) days from the date Bank delivers notice requesting payment thereof.

Upon receipt of payment in full of the Indebtedness, Bank shall promptly refund any Funds held by Bank. If any part or parts of the Property or any interest therein is transferred or sold or is acquired by Bank, Bank shall apply any Funds in its possession as a credit against the Indebtedness prior to the sale or acquisition of the Property.

SECTION 3. ASSIGNMENT OF RENTS; RIGHTS TO POSSESSION.

As additional security for the repayment of the Indebtedness, Borrower hereby assigns to Bank all rents, income, and profits derived from the Property.

In the event of a Default hereunder, Bank, in person, by agent, or by judicially appointed receiver, shall be entitled to take possession of and manage the Property and to collect all rents, income, and other profits derived from the Property, including, but not limited to, amounts past due. Borrower agrees to relinquish peaceful possession to Bank. All rents, income, and profits collected by Bank or receiver shall be applied first to payment of the cost of management of the Property and collection of the rents, income, and profits, including, but not limited to, the cost of receiver's fees, premiums, or receiver's bonds, and reasonable attorneys' fees. The rents, income, and profits shall then be applied to the Indebtedness secured by this Instrument. Bank shall be liable to account only for the net rents actually received.

In connection with this assignment of rents, Borrower agrees to comply with all terms imposed upon it as Lessor under any lease covering any part of the Property. Should Borrower default under any such lease, Bank may take whatever action it deems desirable to prevent or cure the default by Borrower. Bank shall have the right to enter upon the Property as often as it desires in order to prevent or cure any such default. In attempting to prevent or cure any such default, Bank may spend such sums of money as it deems necessary, and Borrower hereby agrees to pay Bank immediately upon demand all sums so expended by Bank, together with interest from the date of

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payment by Bank at the highest lawful rate then in effect under applicable law. Such sums and the interest thereon shall become additional Indebtedness secured by this Instrument.

SECTION 4. APPLICATION OF PAYMENTS.

Payments received by Bank under the Loan Agreement and this Instrument shall be applied to principal and interest payable on the Loan Agreement and to all other sums secured by this Instrument in such order and manner as are determined by Bank in its sole and absolute discretion, subject only to the provisions of this Instrument.

SECTION 5. LIENS.

Borrower shall promptly discharge any lien on the Property, other than as listed on Exhibit B, which has priority or shall in the future attain priority over this Instrument; or, in the alternative, Borrower shall pay or perform the obligation secured by such lien in a manner acceptable to Bank or shall in good faith contest or defend against enforcement of such lien by legal proceedings which prevent enforcement of the lien and which are initiated with the written consent of Bank.

SECTION 6. INSURANCE.

Borrower shall keep the improvements now existing or hereafter located on the Property insured for their full insurable value against loss by fire and such other hazards as may be required by Bank, including, but not limited to, extended coverage, vandalism, malicious mischief, worker's compensation, builder's risk, public liability, and federal flood insurance if and as required under the federal Flood Disaster Protection Act. All insurance policies required pursuant to the preceding sentence shall include a standard provision, satisfactory to Bank, naming Bank as a mortgagee loss payee.

All insurance shall be carried with companies approved by Bank. The duplicate original policies and renewals thereof shall be held by Bank, shall provide that loss be payable to Bank as Bank's interest may appear therein, and shall otherwise be in form acceptable to Bank. In the event of loss, Borrower shall give immediate notice by mail to Bank. In such event, Bank may make proof of loss if not made promptly by Borrower, but Bank shall not be required to do so. Each insurance company concerned is hereby authorized and directed to make payment on such loss directly to Bank instead of to Borrower and Bank jointly. The insurance proceeds, or any part thereof, may be applied by Bank at its option and in its sole and absolute discretion, either to the reduction of the Indebtedness or to the restoration or repair of the Property. Bank shall have no obligation to apply any of the insurance proceeds to restoration or repair of the Property. If the Property is conveyed to Bank or if title to the Property is otherwise transferred in extinguishment of the Indebtedness, all right, title, and interest of Borrower in and to any insurance policies then in force shall be assigned to the new owner of the Property.

In no event shall any application of insurance proceeds to payment of sums due under this Instrument operate to reduce the obligation of Borrower to make any periodic payments due and payable under this Instrument and the Loan Agreement unless such application constitutes final payment under the Loan Agreement.

SECTION 7. CONDEMNATION.

The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property or any part of the Property or in connection with any conveyance in lieu of condemnation are hereby assigned to Bank and shall be paid directly to Bank. Bank may apply or release the funds so received in the same manner and with the same effect as provided in Section 6 for the disposition of insurance proceeds. In no event shall any application of such proceeds to payment of sums due under this Instrument operate to reduce the obligations of Borrower to make any periodic payments due and payable under this Instrument and the Loan Agreement unless such application constitutes final payment under the Loan Agreement.

SECTION 8. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.

Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. If this Instrument conveys a leasehold estate, Borrower shall comply with the provisions of any lease affecting the leasehold estate. If Borrower fails to do so, Bank shall have the right, but not the obligation, to take such action as it deems desirable to prevent or cure any default under this Section. Any amounts disbursed by Bank pursuant to this Section, with interest thereon at the highest lawful rate permitted by applicable law, shall become additional Indebtedness secured by this Instrument. Borrower expressly grants to Bank the right to enter upon the Property immediately and as often as Bank desires in order to prevent or cure any default by Borrower. Borrower shall not surrender its leasehold estate or interest without the prior written consent of Bank. If this Instrument conveys a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development under the bylaws and regulations of the condominium or planned unit development and under all other constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Instrument, such rider shall be incorporated herein by reference and shall amend and supplement the covenants and agreements of this Instrument as if the rider were a part hereof.

SECTION 9. PROTECTION OF BANK'S SECURITY.

If Borrower fails to perform all the covenants and agreements contained in this Instrument and a default occurs under any of the terms, conditions, and provisions of the Loan Agreement or any action or proceeding is commenced which materially affects Bank's interest in the Property, including, but not limited to, eminent domain proceedings, insolvency proceedings, building and zoning code enforcement proceedings, arrangements or proceedings involving a bankruptcy or decedent, or the enforcement of any prior lien against the Property, then Bank, at Bank's option, may make such appearances, disburse such sums, and take such action as Bank deems necessary to protect its interest hereunder, including, without limitation, disbursements for reasonable attorneys' fees, repairs to the Property, curing defaults under prior liens, and removal of liens. Any amounts disbursed by Bank pursuant to this Section shall become additional Indebtedness secured by this Instrument. Such amounts shall be payable upon notice from Bank and shall bear interest from the

date of disbursement at the highest rate permitted by applicable law or at the rate provided in the Loan Agreement if no highest rate is prescribed by applicable law. Nothing contained in this Section shall require Bank to incur any expense or to take any action hereunder.

SECTION 10. INSPECTION.

Bank may enter upon and inspect the Property, provided that Bank gives prior notice of its intention to do so.

SECTION 11. FORBEARANCE BY BANK NOT A WAIVER.

Forbearance by Bank in exercising any right or remedy hereunder or any related right or remedy otherwise afforded by law shall not be a waiver of or preclude the subsequent exercise of any such right or remedy. The receipt by Bank of any past due installments under the Loan Agreement or any other late payments of the Indebtedness shall not deprive Bank of the right to accelerate the maturity of the Indebtedness or of any other right of enforcement existing pursuant to the terms of this Instrument. The procurement of insurance or the payment of taxes or other liens or charges by Bank shall not be a waiver of Bank's right to accelerate the maturity of the Indebtedness because of default hereunder.

SECTION 12. TRANSFER OF PROPERTY OR OWNERSHIP INTERESTS; BANK'S CONSENT.

If all or any part of the Property or any legal or equitable interest therein is voluntarily or involuntarily sold, conveyed in trust, leased, or otherwise transferred, or any additional encumbrance is placed thereon, without Bank's prior written consent, Bank may, at its option, declare the Indebtedness to be immediately due and payable.

SECTION 13. EVENTS OF DEFAULT; ACCELERATION; REMEDIES.

If Borrower shall (a) pay the Indebtedness, when due, according to its terms; (b) pay promptly all taxes, assessments, ground rents, and other charges against the Property when due; (c) keep up repairs; (d) keep the Property insured as provided herein; (e) pay any and all other sums when due as herein provided; and (f) otherwise perform all of the covenants and conditions contained herein, then this trust conveyance shall be of no further force or effect. In such case, Bank shall execute and record a release of this Instrument. Otherwise this trust conveyance shall remain in full force and effect, and, at the option of the lawful owner and holder of the Indebtedness, all remaining unpaid Indebtedness and all installments thereof shall be due and payable at once, without notice, upon any Event of Default (as defined in the Loan Agreement) (an "Event of Default" hereunder).

Upon the occurrence of any Event of Default, Bank shall have the right to pursue all remedies available to it hereunder, at law or in equity. In addition, the Bank, or other agent of the Bank, or the Trustee may take any one or more of the following actions:

(a) enter upon and take possession of the Property without applying for or obtaining the appointment of a receiver;

(b) employ a managing agent of the Property and let the same, either in Trustee's own name, in the name of Bank or in the name of Borrower, and receive the rents, incomes, issues and profits of the Property and apply the same, after payment of all necessary charges and expenses, on account of the Secured Indebtedness;

(c) pay any sums in any form or manner deemed expedient by Bank to protect the security of this Deed of Trust or to cure any event of default, as defined in the Loan Agreement, other than payment of interest or principal on the Secured Indebtedness;

(d) Bank may exercise any or all rights it may have with respect to the personalty or fixtures to the Property under the Uniform Commercial Code as adopted in Tennessee (the "UCC"). Borrower agrees that the sale of any personal property pursuant to the UCC may be performed at public or private sale; that notice of such sale shall be deemed commercially reasonable if given ten (10) days prior to such sale; that Bank may adjourn any public sale to a different time or place by notice at the announced time and place but without further advertisement or notice; that Bank may sell the personalty in such lots as it may deem appropriate; and that any advertisement of such a sale shall be sufficiently descriptive of the personalty if it describes the same by item or type. In addition to the remedies elsewhere provided herein, Bank may, upon default, at its election, sell some or all of the personalty together with the Property by complying with the provisions hereof and applicable law regarding the sale of the Property, in which case the provisions of applicable real estate law, rather than the UCC, shall control as to all aspects of the sale, and the sale shall be conclusively determined to be commercially reasonable if conducted in accordance with such provisions. Any sale of the Property pursuant to the power of sale provided for herein shall be presumed to include all personalty and fixtures then included with the property unless Bank advertises to the contrary; and/or

(e) Foreclose this Deed of Trust. In any Event of Default, Trustee, or his successor in trust, is hereby authorized and empowered, upon giving notice of the time and place of sale by publication of such by three (3) publications for successive weeks in any newspaper of general circulation published in the county in which the Property is located, the first publication of which shall be at least twenty (20) days previous to said sale, to sell the Property, or any part thereof, in such parcels, manner, or order as Bank may direct, at the front door of the Courthouse in said county, to the highest bidder for cash, at public outcry, free from the equity of redemption, the statutory right of redemption, exemptions of homestead, rights by virtue of marriage, and all other rights and exemptions of every kind, all of which are expressly waived. The Trustee or his successor in trust is further authorized and empowered to execute and deliver a deed to the purchaser at such sale. Bank may bid at any such sale. The Trustee may adjourn any sale hereunder and may reset such sale at a later time and/or dates by announcement of such at the time and place of the originally advertised sale without further publication. The purchaser at such sale shall be entitled to immediate possession of the Property upon the delivery to purchaser by Trustee of a deed for the Property. Prior to such sale, Trustee may enter and take possession of the Property, in which

case Trustee shall be accountable only for net rents actually received by Trustee. In the event of sale hereunder, the proceeds shall be applied by Trustee as follows:

FIRST -- to pay all costs and charges of executing this trust, including attorneys' fees and expenses of any litigation which may arise on account of the execution and enforcement of this trust;

SECOND -- to pay the Indebtedness or any balance thereof then remaining unpaid; and

THIRD -- the remainder to be paid to such parties as are legally entitled to it.

In the event of a sale of said Property under and by virtue of this trust, Borrower and all persons holding under Borrower shall be and become tenants at will of the purchaser of the Property from and after the execution and delivery of a deed to the purchaser, and shall pay the purchaser the reasonable rental value of the property after the sale. Borrower's tenancy shall be terminated at the option of purchaser upon five (5) days' written notice.

If Borrower unsuccessfully challenges the validity of any such sale carried out pursuant to the terms of this Instrument, Borrower shall pay the reasonable attorneys' fees and other legal expenses incurred by Bank and Trustee in defending the validity of the sale.

SECTION 14. PROCEEDS FROM JUDICIAL OR TRUST SALE.

Without limitation, the lien of this Instrument shall extend to the interest of Borrower in the proceeds from any judicial or trust sale of the Property, including, without limitation, the proceeds from sale by foreclosure of any prior encumbrance to the extent that such proceeds exceed the amount necessary to satisfy such prior encumbrance. The trustee, officer, or other person in charge of any such sale or foreclosure is hereby directed to pay such excess proceeds to the holder of the Indebtedness to the extent necessary to retire the Indebtedness. Such person is hereby authorized, given a power of attorney, and directed to endorse any checks representing proceeds of sale as requested by the holder of the Indebtedness, pursuant to the provisions of this Section.

SECTION 15. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.

This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property that, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code. Borrower hereby grants Bank a security interest in said items. Borrower agrees that Bank may file this Instrument or a reproduction thereof in the real estate records or other appropriate index as a financing statement for any of the items specified above as a part of the Property. Any reproduction of this Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Bank, upon Bank's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproductions of this Instrument in such form as Bank may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof and shall pay all reasonable costs and expenses of any record

searches for financing statements that Bank may reasonably require. Without the prior written consent of Bank, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this Instrument, including, but not limited to, the covenants to pay when due all sums secured by this Instrument, Bank shall have the remedies of a secured party under the Uniform Commercial Code and, at Bank's option, may also invoke the remedies provided in this Instrument as to such items. In exercising any of said remedies, Bank may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever without in any way affecting the availability of Bank's remedies under the Uniform Commercial Code or of the remedies provided in this Instrument.

SECTION 16. BORROWER NOT RELEASED.

If Bank agrees for the benefit of any debtor to extend the time for payment or to modify the amortization of the Indebtedness or any part thereof, Bank's action shall not release in any manner the continuing liability of Borrower or any other person on the Indebtedness. Borrower shall have no right to require Bank to initiate proceedings against any obligor on the Indebtedness, to refuse to extend the time for payment by such person, or to refuse otherwise to modify the amortization of any of the Indebtedness.

SECTION 17. REMEDIES CUMULATIVE.

Every right and remedy provided in this Instrument is distinct from and cumulative to every other right or remedy under this Instrument or afforded by law or equity. Every such right and remedy may be exercised concurrently, independently, or successively.

SECTION 18. SUCCESSORS AND ASSIGNS BOUND.

The covenants and agreements herein contained and the rights arising hereunder shall inure to the benefit of the respective successors and assigns of Bank and shall be binding upon the respective heirs, successors, and assigns of Borrower.

SECTION 19. NOTICE.

Unless otherwise required by applicable law, any notice to Borrower provided for in this Instrument shall be given by mailing such notice by certified mail, return receipt requested, addressed to Borrower at the address given hereinabove for Borrower, or if no such address is given, at the Property's address or at such other address as may be designated by notice to Bank. Any notice to Bank shall be given by certified mail, return receipt requested, to Bank's address stated herein or to such other address as Bank may designate by notice. Any notice provided for in this Instrument shall be deemed to have been given when sent in the manner designated herein.

SECTION 20. SEVERABILITY.

In the event that any provision or clause of this Instrument or the Loan Agreement conflicts with any applicable law, the other provisions of this Instrument and the Loan Agreement shall be given effect as fully as possible without the conflicting provisions, and, to this end, the provisions of this Instrument and the Loan Agreement are declared to be severable.

SECTION 21. PRIORITY OF THIS INSTRUMENT; FUTURE ADVANCES; EXTENSIONS; MODIFICATIONS AND RENEWALS.

Any portion of the Indebtedness advanced after the execution of this Instrument shall be defined as a Future Advance. This Section shall serve as notice to any subsequent encumbrance of the Property that Bank claims the priority of the lien of this Instrument for all such Future Advances, as well as for all other obligations secured hereby. This Section shall also be notice that Bank reserves the right to modify, extend, consolidate, and renew the Indebtedness or any portions thereof and the rate of interest charged thereon without affecting the priority of this Instrument.

SECTION 22. WAIVER.

Borrower expressly agrees that the Trustee or his successor may execute the power of sale granted herein and the other powers and rights set forth herein without giving bond or taking oath. The Trustee shall not be liable to Borrower for any acts or omissions to act in the execution of his powers hereunder, except for such acts or omissions as constitute gross negligence or willful misconduct. Except in such instances of gross negligence or willful misconduct, neither the Trustee nor Bank shall be obligated to provide an accounting of any funds received or disbursed in connection with the payment of the Indebtedness or the administration, enforcement, or foreclosure of this trust. Borrower expressly waives all legal, equitable, and statutory rights of redemption, exemption, or homestead, all rights arising by virtue of marriage, and all other similar exemptions and rights arising under or created by an applicable statute or judicial decision.

SECTION 23. NECESSITY OF WRITING.

The terms of this Instrument may be modified in whole or in part only by a written instrument signed by Borrower and Bank and recorded in the Register's Office of the county in which this Instrument is recorded. Any oral agreement to modify this Instrument shall be void and of no force and effect.

SECTION 24. JOINT AND SEVERAL OBLIGATIONS.

If Borrower is not the same person or persons or entity or entities, all of the covenants and requirements of this Instrument shall be the joint and several obligations of Borrower, and any reference to "Borrower" shall mean any or all of the individuals or entities constituting Borrower.

SECTION 25. HEADINGS.

The titles and headings of the various sections and paragraphs hereof are intended solely for means of reference and are not intended for any purpose whatsoever to modify, explain, or place any construction on any provision of this Instrument.

SECTION 26. GENDER.

As used herein, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

SECTION 27. SUCCESSOR TRUSTEE.

Bank, at Bank's option, may from time to time remove any trustee and may appoint a successor trustee by an instrument recorded in the county in which this Instrument is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power, and duties conferred upon the trustee herein and by applicable law. Borrower further agrees that should such sale be made by the Trustee, he need not personally attend and conduct the same but, at his option, he may have the sale conducted by an agent or attorney selected by him.

SECTION 28. LOAN AGREEMENT.

Borrower agrees to comply with the covenants and conditions of the Loan Agreement evidencing the Indebtedness secured hereby, which is hereby incorporated by reference herein and made a part of this Instrument. All advances made by Bank pursuant to the Loan Agreement shall be Indebtedness of Borrower secured by this Instrument. All sums disbursed by Bank to protect the security of this Instrument shall be treated as disbursements pursuant to the Loan Agreement. All such sums shall bear interest from the date of disbursement at the highest rate allowed by applicable law, provided that, if no highest rate is prescribed by applicable law, such amounts shall bear interest at the rate or rates at which interest shall be charged upon default as provided in the Loan Agreement and shall be payable upon notice from Bank to Borrower requesting payment therefor.

From time to time as Bank deems necessary to protect Bank's interest, Borrower shall, upon request of Bank, execute and deliver to Bank, in such form as Bank shall direct, assignments of any and all rights or claims which relate to construction on the Property and which Borrower may have against any party supplying or who has supplied labor, materials, or services in connection with construction on the Property. In case of breach by Borrower of the covenants and conditions of the Loan Agreement, Bank, at Bank's option, with or without entry upon the Property, may invoke any of the rights or remedies provided in the Loan Agreement and may accelerate the sums secured by this Instrument and invoke those remedies provided in this Instrument.

SECTION 29. HAZARDOUS SUBSTANCES.

Neither Borrower, nor any affiliate or associate of Borrower, nor, to the best knowledge of Borrower, any other person has ever caused or permitted any "Hazardous Material" (as hereinafter defined) to be placed, held, located, or disposed of on, under, or at the Property or any part thereof or any other real property legally or beneficially owned (or any interest or estate in which is owned) by Borrower or any affiliate or associate of Borrower (except as such may be held or placed in compliance with applicable laws and regulations), and neither the Property, nor any part thereof, nor any other real property legally or beneficially owned (or any interest or estate in which is owned) by Borrower or any affiliate or associate of Borrower has ever been used (whether by Borrower and

any affiliate or associate of Borrower or, to the best knowledge of Borrower, by any other person) as a dump site or storage site (whether permanent or temporary) for any Hazardous Material. As used herein, the term "Hazardous Material" shall mean any hazardous, toxic, or dangerous waste, substance, or material defined as such in, or for purposes of, the Comprehensive Environmental Response, Compensation, and Liability Act as such may be amended, any so-called "Superfund" or "Superlien" law, or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material, as may be now or at any time hereafter in effect (the "Environmental Laws").

Borrower hereby agrees to indemnify Bank and to hold Bank harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses, and claims of any and every kind whatsoever, paid, incurred, or suffered by, or asserted against, Bank for, with respect to, or as a result of any of the following:

(a) The presence on or under or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the Property or any part thereof or any other real property legally or beneficially owned (or any interest or estate in which is owned) by Borrower or any affiliate or associate of Borrower of any Hazardous Material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses, or claims asserted or arising under any of the Environmental Laws); or

(b) Any liens against the Property or any part thereof or any interest or estate in any part thereof, created, permitted, or imposed by the Environmental Laws or any actual or asserted liability or obligations of Borrower or any affiliate or subsidiary of Borrower under the Environmental Laws.

SECTION 30. WAIVER OF JURY TRIAL; EXCLUSIVE JURISDICTION AND VENUE.

BORROWER AND BANK HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS INSTRUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR BANK ENTERING INTO OR ACCEPTING THIS INSTRUMENT. FURTHER, BORROWER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF BANK, NOR BANK'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. ANY ACTION BROUGHT HEREUNDER OR WITH RESPECT TO THE SUBJECT MATTER HEREOF MUST BE BROUGHT IN THE STATE COURTS SITTING IN DAVIDSON COUNTY, TENNESSEE OR IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF TENNESSEE

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WHICH SHALL HAVE EXCLUSIVE JURISDICTION AND VENUE OF ANY SUCH MATTERS.

{Signature page to follow}

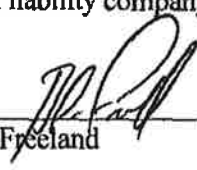
May 25, 2018

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IN WITNESS WHEREOF, Borrower has executed this Instrument effective as of the Effective Date.

BORROWER:

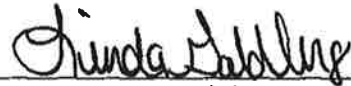
Freeland Realty 4, LLC,
a Tennessee limited liability company

By: 
Name: Bernard G. Freeland
Title: Manager

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, Bernard G. Freeland, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is Manager of the maker or a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker, to execute this instrument on behalf of the maker.

WITNESS my hand, at office, this 19th day of July, 2016.



Notary Public

My Commission Expires:



EXHIBIT A

PROPERTY DESCRIPTION

All that certain real property situated in the County of Davidson, City of Nashville, State of Tennessee, described as follows:

Being parcel 1 as shown on the plan of the resubdivision of Lot "L" of the first revision, Section 13, Hickory Hollow Mall of record in Plat Book 8250, Page 849, Register's Office for Davidson County, Tennessee.

Being the same property conveyed to Freeland Realty 4, LLC, a Tennessee limited liability company from the INSOUTH BANK by deed of record in Instrument No. 20120402-0027603, in the Register's Office for Davidson County, Tennessee.

Property Address: 5380 Hickory Hollow Parkway, Antioch, Tennessee 37013
Map/Parcel Number: 163 00 0 378.00

EXHIBIT B

PERMITTED ENCUMBRANCES

1. Davidson County taxes for the year 2016 and thereafter, not yet due and payable.
2. All matters as shown on plat of record in Plat Book 8250, Page 849, said Register's Office.
3. Memorandum of Agreement recorded July 11, 1989 in Book 7886, Page 594, said Register's Office.
4. Right-of-Way Agreement in favor of Gulf Interstate Gas Company recorded in Book 2203, Page 577, as affected by Warranty Deed recorded February 3, 1959 in Book 2875, Page 299 and as amended by Partial Releases recorded February 25, 1977 in Book 5118, Page 792 and in Book 5118, Page 797, said Register's Office.
5. Storm Water Detention Agreements granted to The Metropolitan Government of Nashville and Davidson County recorded April 21, 1988 in Book 7522, Page 582 and recorded May 18, 1988 in Book 7547, Page 619, said Register's Office.
6. Reciprocal Easement Agreement recorded September 16, 1998 in Book 11115, Page 393, said Register's Office.
7. Easement Agreement recorded September 16, 1998 in Book 11115, Page 401, said Register's Office.
8. Declaration of Protective Covenants for Hickory Hollow recorded March 18, 1977 in Book 5125, Page 769, as amended by Amendments to Declaration of Protective Covenants for Hickory Hollow recorded August 30, 1977 in Book 5189, Page 947; Second Amendment to Declaration of Protective Covenants for Hickory Hollow recorded September 14, 1978 in Book 5337, Page 933; Restated and Amended Declaration of Protective Covenants for Hickory Hollow recorded May 30, 1979 in Book 5441, Page 968; Amendment to Restated and Amended Declaration of Protective Covenants for Hickory Hollow recorded September 9, 1981 in Book 5792, Page 491; Second Amendment to Restated and Amended Declaration of Protective Covenants for Hickory Hollow recorded October 15, 1982 in Book 5951, Page 26; Third Amendment to Restated and Amended Declaration of Protective Covenants for Hickory Hollow recorded February 24, 1983 in Book 6011, Page 163; Fourth Amendment to Restated and Amended Declaration of Protective Covenants for Hickory Hollow recorded July 15, 1983 in Book 6095, Page 948, said Register's Office.



1536878

13

Loan Number

411001539

Library

C

Doc Type Group

WFM - New Loan and Acquisition Packages

Doc Type

WFM - New Loan and Acquisition Packages

Workflow Indicator

N

SUBLEASE

THIS SUBLEASE ("Sublease") is made as of the 24th day of May, by and between **RADIOLOGY ALLIANCE, P.C.** ("Sublessor") and **TENNESSEE IMAGING SERVICES, LLC** ("Sublessee"), whereby Sublessor does hereby demise and sublease to Sublessee, for the term and rent payments hereinafter set forth, the premises at 5380 Hickory Hollow Parkway, Antioch, Tennessee 37013 (the "Premises"), on the following terms and conditions:

1. It is understood that this is a sublease of Sublessor's space within the above referenced Premises. In addition, the Lease by and between Freeland Realty 4, LLC and Sublessor dated July 15, 2016 (the "Master Lease") and its terms are made a part of this Sublease and will control in the event of a conflict between its terms and the terms of this Sublease. As required by the Master Lease, Sublessee hereby agrees that this Sublease is subject and subordinate to the Master Lease.
2. Sublessee will be responsible for maintaining all requisite licenses and permits to operate its business and an appropriate insurance policy to fully protect and indemnify Sublessor, as is more fully described herein, from claims by Sublessee or Sublessee's employees, guests and invitees.
3. Term and Termination:
 - a. The initial term of this Sublease ("Term") shall be for one (1) year, commencing on the date that Sublessee is granted the Certificate of Need necessary to operate Sublessee's business, which date shall be communicated to Sublessor in writing by Sublessee. In the event this Sublease is terminated by either party for any reason during the first twelve (12) months of the Term, the parties hereby agree that they will not enter into the same or similar agreement for the provision of leased space during the remainder of the first year of the Term. The Term shall be automatically renewed for successive one (1) year terms, but shall automatically terminate upon any future termination of the Master Lease. Either party may terminate this Sublease upon thirty (30) days' prior written notice to the other party.
4. Rent:
 - a. The rent to be paid by Sublessee shall be equal to the amount of rent and operating expenses Sublessor is obligated to pay Landlord under Section 2 of the Master Lease.
 - b. All payments of rent shall be made in good funds payable to and delivered to Sublessor at Sublessor's offices or to such other person and place as may be reasonably designated by notice in writing from Sublessor to Sublessee from time to time.
 - c. No payment by Sublessee or receipt by Sublessor of a lesser amount than the monthly installments of rent herein stipulated shall be deemed to be other than on account of the earlier stipulated rent, nor shall any endorsement or statements on any check or

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any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Sublessor may accept such check for payment without prejudice to Sublessor's right to recover the balance of such rent or pursue any other remedy provided in this Sublease.

- d. The parties agree that the annual rent to be paid pursuant to this Section 4 is based upon fair market value for the Premises subleased under the terms of this Sublease.
5. **Delinquent Payments:** If Sublessee shall fail to pay any installment of rent within five (5) days of the due date, Sublessee shall pay to Sublessor as additional rent a late charge of five percent (5%) of each delinquent rent installment. This provision for payment by Sublessee of a late fee is not a waiver by Sublessor of Sublessee's obligation to pay rent on the first day of each and every month.
6. **Condition of Premises:** Sublessee covenants and agrees that: (i) Sublessee will take good care of the Premises and the fixtures and equipment therein; (ii) Sublessee will not suffer or commit any waste of or about the Premises; and (iii) upon expiration of the Term of this Sublease, or upon surrender or abandonment of the Premises, Sublessee will leave the Premises in as good a condition as when first occupied by Sublessee, ordinary wear and tear and casualty loss excepted.
7. **Use of Premises:** Sublessee shall use the Premises as and for medical, administrative or office use and any use incidental to or in connection with such use, and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Sublessor and Landlord.
8. **Subletting and Assignment:** Sublessee will not sublet the Premises or any part thereof or transfer possession or occupancy thereof to any person, firm, or corporation, or transfer or assign this Sublease without the prior written consent of Sublessor, not to be unreasonably withheld, nor shall any sublet or assignment hereof be affected by operation of law or otherwise other than with the prior written consent of Sublessor. Any change in the ownership of Sublessee shall be construed as a transfer of the Sublease. Sublessor's prior approval is required prior to such transfer of this Sublease under such circumstances.
9. **Casualty Insurance:** Sublessee will not do or permit anything to be done in the Premises, or bring or keep anything therein, which shall in any way increase the rate of fire or other insurance, or on the property kept therein, or obstruct or interfere with the rights of other tenants or Sublessor, or conflict with the fire laws or regulations, or with any insurance policy or any part thereof, or with any statutes, rules, or regulations enacted or established by the appropriate governmental authority regarding the Premises.
10. **Sublessee's Property:** Sublessee shall be responsible for and shall bear the cost and expense solely for any removal of its own equipment, and shall reimburse Sublessor for any and all costs and damages incurred by Sublessor regarding the condition of the Premises as a result of said removal.

11. Destruction: The payment of rent under this Sublease shall cease if the Premises are rendered untenable for thirty (30) consecutive days, by fire or other casualty loss, and Sublessee may terminate this Sublease upon proper written notice thereof to Sublessor.
12. Access: Sublessee agrees that it will allow Sublessor, its agents or employees, to enter the Premises at all reasonable times and upon reasonable notice to examine, inspect, or to protect the same, or prevent damage or injury to the Premises or to make such repairs to the Premises as are necessary and reasonable; or to show the Premises to prospective tenants. Such showing of the Premises to prospective tenants shall be limited to the last ninety (90) days of the Term.
13. Defaults/Termination: It is agreed that: if Sublessee shall fail to pay the rent, or any installments thereof as aforesaid, at the time the same shall become due and payable although no demand shall have been made for the same, and such default continues for a period of fifteen (15) days after written notice of such failure from Sublessor; or if either party shall violate or fail or neglect to keep and perform any of the covenants, conditions, and agreements herein contained on the part of such party to be kept and performed; or if the Premises shall become vacant or deserted, and such default continues to a period of fifteen (15) days after written notice of such default then, at the option the non-defaulting party, this Sublease shall cease and terminate, and Sublessor shall be entitled to the possession of the Premises and to re-enter the same without demand of rent or demand of possession of the Premises by process of law, any notice to quit or of intention to re-enter the same, being hereby expressly waived by Sublessee. In the event of such re-entry by Sublessor by process of law or otherwise due to termination for default by Sublessee, Sublessee nevertheless agrees to remain answerable for any and all damages, including attorney's fees, deficiency or loss of rent that Sublessor may sustain by such re-entry; and in such case, Sublessor reserves full power, which is hereby acceded to by Sublessee, to relet the Premises for the benefit of Sublessee in liquidation and discharge, in whole or in part, as the case may be, of the liability of Sublessee under the terms and provisions of this Sublease. No provisions of this Sublease shall be deemed to have been waived unless such waiver shall be in writing signed by the party seeking to enforce said provision.
14. Quiet Enjoyment: Sublessor covenants that if Sublessee pays the rent and all other charges provided for herein, performs all of its obligations provided for hereunder and observes all of the other provisions hereof, Sublessee shall at all times during the term hereof peaceably and quietly have, hold, and enjoy the Premises, without any interruption or disturbance from Sublessor, or anyone claiming through or under Sublessor, subject to the terms hereof, specifically including but not limited to Section 12 above.
15. Successors: All rights, remedies, and liabilities herein given to or imposed upon either of the parties hereto, shall extend to such party's respective successors and assigns, except as specifically prohibited herein.
16. Attorney's Fees: In the event either party requires the services of an attorney in connection with enforcing the terms of this Sublease or in the event suit is brought for the recovery of

May 25, 2018

12:21 P.M.

any rent due under this Sublease or for the breach of any covenant or condition of this Sublease, or for the restitution of the Premises to Sublessor and/or eviction of Sublessee during said term or after the expiration thereof, the prevailing party shall be entitled to a reasonable sum of attorney's fees and court costs.

17. Notice: Unless agreed otherwise, any notice hereunder shall be in writing, sent by registered mail, to the addresses listed below.

Sublessor:
Radiology Alliance
1301 Concord Terrace
Sunrise, FL 33323

Sublessee:
Tennessee Imaging Center, LLC
5380 Hickory Hollow Parkway
Antioch, Tennessee 37013

18. Governing Law: The terms and provisions of this Sublease shall be governed under the laws of the State of Tennessee.

19. Insurance and Liability: Sublessor shall have no liability or responsibility whatsoever with respect to the conduct and operation of the business to be conducted in the demised Premises. Sublessor shall not be liable for any accident to or injury to any person or persons or property in or about the demised Premises that is caused by the conduct or operation of said business or by virtue of equipment or property of Sublessee in said Premises. Sublessee agrees to hold Sublessor harmless against all such claims.

a. Without limiting the above, Sublessee agrees to purchase liability insurance with a recognized insurance company, which insurance shall protect the Sublessor, and to deposit evidence of same with said Sublessor. Sublessee's insurance coverage shall be in amounts consistent with those of the Sublessor under Section 8 of the Master Lease.

b. The parties agree that each shall indemnify and save harmless the other from and against any and all loss, cost (including attorney's fees), damages, expenses, liability (including statutory liability), and claims for damages as a result of injury or death of any person or damage to any property that arise from or in any manner grow out of any act or neglect on or about the leased Premises by such party, or such parties, agents, employees, customers, invitees, contractors, or subcontractors.

20. Fixtures: Sublessee agrees not to remove and repossess such apparatus, fixtures, or other merchandise from the leased Premises without the prior written consent of the Sublessor.

21. Bankruptcy: If Sublessee shall make an assignment for the benefit of creditors, or if Sublessee shall file a voluntary petition in bankruptcy or receivership, or a bankruptcy petition be filed against Sublessee and the same not be dismissed within thirty (30) days of the filing thereof, or if Sublessee be adjudged bankrupt, then and in any of said events this Sublease shall immediately cease and terminate at the option of the Sublessor with the same force and effect as though the date of said event was that herein fixed for expiration of the

term of this Sublease.

- 22 Licenses: Sublessee will obtain all necessary permits and licenses, and Sublessee shall save Sublessor harmless from any failure to obtain proper licenses and permits.
23. Surrender of Possession: If Sublessee shall not immediately surrender possession of the Premises at the expiration or other termination of this Sublease, Sublessee shall become a month-to-month Tenant, at 125% the monthly rental of that in effect just prior to termination of this Sublease, said rental to be paid in advance. If Sublessee shall fail to surrender possession of the Premises immediately upon expiration of the term hereof, Sublessee hereby agrees that all of obligations of Sublessee shall be equally applicable during such period of subsequent occupancy, whether or not a month-to-month tenancy shall have been created as aforesaid. Sublessee shall be liable for any damages suffered by Sublessor by reason of Lessee's failure to immediately surrender the Premises.
- 24 Recordation: Neither party may at any time record either this Sublease or a memorandum of this Sublease.
25. Entire Agreement: This Sublease contains all the agreements and conditions made between the parties hereto and may not be modified orally or in any other manner than by agreement in writing signed by all parties or their respective successors in interest.

May 25, 2018

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Witness



Sublessor: Radiology Alliance, P.C.



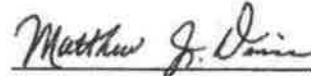
Milissa Stubbs

Treasurer

Witness



Sublessee: Tennessee Imaging Services, LLC



Matthew J. Devine

President

7/27/18 12:21 PM

Supplemental #1

May 25, 2018

12:21 P.M.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: ANTIOCH ODC

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John Wellborn
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 25 day of MAY, 2018,
witness my hand at office in the County of Davidson, State of Tennessee.

[Signature]
NOTARY PUBLIC

My commission expires 03-08, 2021.

HF-0043

Revised 7/02



Supplemental #2 (Original)

Antioch Outpatient
Diagnostic Center

CN1805-020

MAY 31 18 AM 10:10

May 30, 2018

Phillip M. Earhart, HSD Examiner
Jeff Grimm, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application CM1805-020
Antioch Outpatient Diagnostic Center With MRI
Second Supplemental Response

Dear Mr. Earhart:

This letter responds to your May 29 request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section A, Executive Summary, Overview (13) (MRI)

The MRI equipment quote is noted. However, the documents appear to expire prior to the August 22, 2018 Agency meeting. Please provide a revised quote for the proposed MRI equipment.

The revised MRI quote is attached following this page. Its expiration date is just after the anticipated decision date of the CON Board. If the project is not heard by the CON Board until a later date, the vendor has assured the applicant that the expiration date will be extended again.

2. Section B, Need. Item 5 (Historical Utilization in PSA)

There appears to be a typographical error in your response in the number of procedures in Year One (206,7112). Please clarify.

Yes, that was a typographical error on page 8 of the first supplemental responses. That sentence should have read "...the applicant's table on page 43 projects 206,712 area procedures in Year One of the project, which is sufficient to justify five more MRI units under the State Plan Guideline..."



GE Healthcare

Supplemental #2

May 31, 2018

05-30-2018

Quote #: 10:10 A.M.
Version #:

PR8-C81351

14

✓ Q-Exp-Date:

08-24-2018 ✓

Issued By:

GE Healthcare
FEIN: 14-0689340

Customer Address:

Radiology Alliance
210 25th Ave N Ste 602
Nashville TN 37203-1631

Attention:

Ms. Luginia Hill
210 25th Ave N Ste 602 Nashville
TN 37220

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

1) This Quotation that identifies the Product offerings purchased or licensed by Customer;

2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions. In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation.

No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties.

By signing below, each party certifies that it has not made any handwritten modifications.

Governing Agreement:

Novation - Vizient Supply LLC

Customer Number:

1-25Q3XC

Terms of Delivery:

FOB Destination

Billing Terms:

80% delivery / 20% Installation

Payment Terms:

NET 30

Total Quote Net Selling Price:

\$1,026,616.14

Sales And Use Tax Status:

No Exemption Certificate on File

** The following ship to states do not impose a sales/use tax (AK, DE, MT, NH, OR). No exemption certificate required.

INDICATE FORM OF PAYMENT:

If "GE HEF Loan" or "GE HEF Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Equipment Finance (GE HEF) to fund this arrangement after shipment.

☐ Cash/Third Party Loan/Check ☐ GE HEF Loan

☐ GE HEF Lease ☐ Third Party Lease (please identify financing company) _____

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

Authorized Customer Signature Date

Print Name Print Title

Purchase Order Number (if applicable)

GE HEALTHCARE

Gary Young

05-30-2018

Signature

Date

Vaso Healthcare - Authorized Manufacturer Rep

Email: GaryYoung@ge.com

Office: +1 615 202 6373

Mobile: 615-202-6373

Page Two
May 30, 2018

3. Section B, Economic Feasibility, Items 1 (Project Costs Chart)

The new revised Project Cost Chart that reflects an increase in Project Cost from \$8,660,608 to \$8,696,230 is noted. Please submit a check for \$203.00 (CON filing Fee) as a result of the increase in Project Costs.

The requested supplemental filing fee is attached to this letter.

4. Section B, Economic Feasibility, Items 1.E (Licensed Architect Letter)

a. The email dated May 24, 2018 from the licensed architect letter noting the demolition and removal of a very large bank vault from a previous tenant will take up to two months and an undetermined amount of money for removal is noted. However, please document the applicant has set aside contingency in the Project Costs Chart for the vault removal since there appears to be uncertainty from the architect regarding the cost.

The \$285 PSF construction cost estimate in line A.5, and the additional 5% construction contingency listed in line A.6, were made with allowance for such unforeseen contingencies in mind; they are sufficient to cover whatever subterranean “unknowns” may be encountered in the foundations of the vault, which are beneath ground and cannot be fully evaluated until removal of the ground surfaces begins.

b. What is the estimated cost of the demolition and removal of the bank vault?

The architect has stated to us that even in the worst of conditions below ground, the demolition and removal of the vault would not add more than \$100,000 to the cost of the project, and that this amount has been covered by the construction cost estimate and the contingency stated in the Project Cost Chart.

Page Three
May 30, 2018

5. Section B, Economic Feasibility, Item 2 (Funding)

a. It is noted MEDNAX will provide the funding for the proposed project. However, MEDNAX is not part of the ownership of the applicant. Please provide an agreement between MEDNAX and the applicant that MEDNAX will fund the project through a cash grant, sustain the operation financially as needed, and financial support from MEDNAX will be repaid from the project's earnings.

External funding sources (banks, bonds, etc.) are never part of the ownership of any CON applicant. Nor can CON applicants secure an actual financing agreement prior to CON approval. The funding aspect of a project's financial feasibility has consistently been documented only by letters of intent from the funding entity (with financial statements documenting the existence of sufficient resources), coupled with the applicant's inclusion of debt repayment in its Projected Data Charts. The project has already met the first two requirements. This supplemental response letter provides the third: amended Projected Data Charts showing the inclusion of debt repayment on page two of each chart.

That said, please know that the applicant's local staff are making strenuous efforts to obtain for you additional correspondence from corporate MEDNAX and TIS, restating for clarification that the funding is available, with a debt repayment plan, and that the funding entity will sustain the operation and receive repayment. Drafts of those letters have been approved locally and are seeking corporate office signature. The drafts are attached following this page.

It is proving very difficult to obtain the signature of the appropriate corporate officers on these letters within a 48-hour turnaround. We will provide them to you as quickly as possible, if not on May 31 then within a few working days thereafter. Please accept this second supplemental response as what is needed to deem the application complete, so that it can enter a simultaneous review cycle that is of value both to the applicant and to the Agency.

b. The funding letter and estimated payoff table from MEDNAX is noted. However, please revise the funding letter and payoff schedule to match the actual revised capital cost of \$5,264,727 in the revised Project Costs Chart. In the revision, please include a date in the MEDNAX letter.

We request flexibility to retain the funding commitment amount in the original letter, and the payoff schedule, for two reasons. First, the new, lower capital cost is less than 1% lower, and the original funding commitment more than covers it. Second, the payback schedule remains sufficient to cover the slight change in project cost

May 31, 2018

10:10 A.M.

date

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Antioch Outpatient Diagnostic Center

Dear Ms. Hill:

Tennessee Imaging Services, LLC ("TIS"), is filing an application to establish a licensed Outpatient Diagnostic Center with MRI and related imaging services, in southeastern Davidson County in Antioch, TN.

The estimated total capital expenditure needed to implement this project is approximately \$5,312,400. In return for this capital, TIS will pay MEDNAX an estimated 99% of TIS' net income until the year 2040. An estimated payoff table is enclosed with this memo for your review.

As the Senior VP/Chief Accounting Officer of MEDNAX, Inc. I am writing to confirm that we are prepared to fund and sustain this endeavor as described in the application. Our most recent financial statements are provided in the application.

Sincerely,

John C. Pepia
Senior Vice President, Chief Accounting Officer
MEDNAX, Inc.

Enclosures:

1) Payoff Estimation Table for Antioch ODC Project Funding

**Payoff Estimation Table for Antioch ODC Project Funding**

<u>Fiscal Year</u>	<u>Amount</u>
2021	-
2022	-
2023	\$124,945
2024	\$299,400
2025	\$350,894
2026	\$373,125
2027	\$371,747
2028	\$363,146
2029	\$348,101
2030	\$329,424
2031	\$329,424
2032	\$329,424
2033	\$329,424
2034	\$329,424
2035	\$329,424
2036	\$329,424
2037	\$329,424
2038	\$329,424
2039	\$329,424
2040	\$329,424
<i>Total Sum of Repayment</i>	<i>\$5,855,026</i>
<i>Original Capital Funding</i>	<i>\$5,312,400</i>
<i>MEDNAX Return on Loan</i>	<i>\$542,626</i>

May 31, 2018

10:10 A.M.

Tennessee Imaging Services, LLC
1301 Concord Terrace
Sunrise, FL 33323-2843

Date

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Antioch Outpatient Diagnostic Center

Dear Ms. Hill:

This letter is to confirm our agreement in principle with MEDNAX, Inc. to the terms and conditions outlined in John C. Pepia's memo regarding financing support to Tennessee Imaging Service's application for a Certificate of Need to establish a licensed Outpatient Diagnostic Center with MRI and related imaging services, in southeastern Davidson County in Antioch, TN.

Sincerely,

Matthew J. Devine
President
Tennessee Imaging Services, LLC

Page Four
May 30, 2018

6. Section B, Economic Feasibility, Item 4 (Projected Data Chart)

a. Please clarify what services are included in the Professional Services Contract (\$549,747), Service Expense (\$279,470), and Administrative Support Fees (\$180,655) and with what entity for each?

Professional Services Contract: fees paid to Radiology Alliance, P.C. for their medical interpretation and dictation of imaging studies conducted at the ODC.

Service Expense: An estimate of the costs that will be paid for service contracts and preventive maintenance for the equipment at the ODC; it will be paid to the equipment vendors.

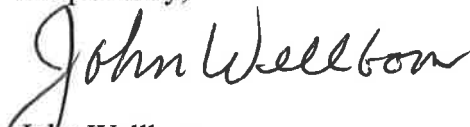
Administrative Support Fees: An apportionment of costs paid to Infinity Management, LLC for administrative support including, but not limited to, medical licensing, credentialing, accounting, information technology support, and consulting.

b. It is noted in the MEDNAX payoff estimation table the applicant will pay \$124,945 to MEDNAX. Where is this accounted in the Projected Data Charts? If necessary, please submit revised Projected Data Charts.

Attached following this page are revised Projected Data Charts (pages 54R-2 through 57R-2). They reflect the revised financing repayment schedule submitted in response to your question 5 above. These revised Projected Data Charts enter the projected repayment in line G1 (page 2) of each Chart. Being based on net profit, the repayment begins in Year Three and continues thereafter as indicated on the repayment schedule attached to the revised MEDNAX letter.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,


John Wellborn
Consultant

May 31, 2018

10:10 A.M.

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PROJECT ONL

PROJECTED DATA CHART --ANTIOCH ODC (INCLUDING ALL MODALITIES)

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2021 (Year One)	Year 2022 (Year Two)	Year 2023 (Year Three)
A.	Utilization Data (Specify unit or measure)			
	Procedures	9,608	11,529	12,810
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$	\$	\$
2.	Outpatient Services	\$ 5,824,151	\$ 6,988,981	\$ 7,765,535
3.	Emergency Services	\$	\$	\$
4.	Other Operating Revenue	\$	\$	\$
	(Specify) <u>See notes page</u>			
	Gross Operating Revenue	\$ 5,824,151	6,988,981	7,765,535
C.	Deductions from Gross Operating Revenue			
1.	Contractual Adjustments	\$ 3,545,091	\$ 4,240,434	\$ 4,696,324
2.	Provision for Charity Care	\$ 18,868	\$ 22,755	\$ 25,410
3.	Provisions for Bad Debt	\$ 252,917	\$ 305,018	\$ 340,603
	Total Deductions	\$ 3,816,876	\$ 4,568,207	\$ 5,062,337
	NET OPERATING REVENUE	\$ 2,007,275	\$ 2,420,774	\$ 2,703,198
D.	Operating Expenses			
1.	Salaries and Wages			
a.	Clinical	\$ 373,197	\$ 384,393	\$ 395,925
b.	Non-Clinical	\$ 207,511	\$ 213,736	\$ 220,148
2.	Physicians Salaries and Wages	\$	\$	\$
3.	Supplies	\$ 108,342	\$ 130,011	\$ 144,456
4.	Rent			
c.	Paid to Affiliates	\$ 196,376	\$ 201,285	\$ 206,317
d.	Paid to Non-Affiliates			
5.	Management Fees			
a.	Paid to Affiliates	\$	\$	\$
b.	Paid to Non-Affiliates	\$	\$	\$
6.	Other Operating Expenses <u>See notes page</u>	\$ 1,044,074	\$ 1,201,377	\$ 1,308,705
	Total Operating Expenses	\$ 1,929,500	\$ 2,130,802	\$ 2,275,552
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 77,776	\$ 289,972	\$ 427,646
F.	Non-Operating Expenses			
1.	Taxes	\$ 11,871	\$ 23,886	\$ 33,656
2.	Depreciation	\$ 155,861	\$ 155,861	\$ 155,861
3.	Interest	\$	\$	\$
4.	Other Non-Operating Expenses	\$ 148,000	\$ 149,935	\$ 111,922
	Total Non-Operating Expenses	\$ 315,732	\$ 329,682	\$ 301,439
	NET INCOME (LOSS)	\$ (237,956)	\$ (39,710)	\$ 126,207

Chart Continues Onto Next Page

Supplemental #2

May 31, 2018
10:10 A.M.

	Year 2021	Year 2022	Year 2023
NET INCOME (LOSS)	\$ (237,956)	(39,710)	126,207
G. Other Deductions			
1. Annual Principal Debt Repayment	\$ 0	0	124,945
2. Annual Capital Expenditure			
Total Other Deductions	\$ 0	0	124,945
NET BALANCE	\$ (237,956)	(39,710)	1,262
DEPRECIATION	\$ 155,861	155,861	155,861
FREE CASH FLOW (Net Balance + Depreciation)	\$ (82,095)	116,151	157,123

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X TOTAL FACILITY
PROJECT ONLY

PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES

	Year 2021	Year 2022	Year 2023
(EXAMPLES)			
1. Professional Services Contract	\$ 549,747	662,995	740,344
2. Service Expense	\$ 279,470	279,470	279,470
3. Archive Fees	\$ 34,203	41,043	45,604
4. Billing Fees	\$ 80,291	96,831	108,128
5. Administrative Support Fees	\$ 100,364	121,039	135,160
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
Total Other Expenses	\$ 1,044,074	1,201,377	1,308,705

May 31, 2018

10:10 A.M.

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TOTAL FACILI

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PROJECT ONL

PROJECTED DATA CHART --ANTIOCH ODC (INCLUDING ALL MODALITIES)

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2021 (Year One)	Year 2022 (Year Two)	Year 2023 (Year Three)
A.	Utilization Data Procedures	2,250	2,700	3,000
	(Specify unit or measure)			
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$	\$	\$
2.	Outpatient Services	\$ 2,818,889	\$ 3,382,667	\$ 3,758,519
3.	Emergency Services	\$	\$	\$
4.	Other Operating Revenue	\$	\$	\$
	(Specify) <u>See notes page</u>			
	Gross Operating Revenue	\$ 2,818,889	3,382,667	3,758,519
C.	Deductions from Gross Operating Revenue			
1.	Contractual Adjustments	\$ 1,715,824	\$ 2,052,370	\$ 2,273,021
2.	Provision for Charity Care	\$ 9,132	\$ 11,014	\$ 12,298
3.	Provisions for Bad Debt	\$ 122,412	\$ 147,628	\$ 164,852
	Total Deductions	\$ 1,847,368	\$ 2,211,012	\$ 2,450,171
	NET OPERATING REVENUE	\$ 971,521	\$ 1,171,655	\$ 1,308,348
D.	Operating Expenses			
1.	Salaries and Wages			
a.	Clinical	\$ 180,627	\$ 186,046	\$ 191,627
b.	Non-Clinical	\$ 100,435	\$ 103,448	\$ 106,552
2.	Physicians Salaries and Wages	\$ 0	\$ 0	\$ 0
3.	Supplies	\$ 52,438	\$ 62,925	\$ 69,917
4.	Rent			
c.	Paid to Affiliates	\$ 95,046	\$ 97,422	\$ 99,858
d.	Paid to Non-Affiliates			
5.	Management Fees			
a.	Paid to Affiliates	\$	\$	\$
b.	Paid to Non-Affiliates	\$	\$	\$
6.	Other Operating Expenses <u>See notes page</u>	\$ 505,332	\$ 581,467	\$ 633,413
	Total Operating Expenses	\$ 933,878	\$ 1,031,308	\$ 1,101,367
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 37,643	\$ 140,346	\$ 206,981
F.	Non-Operating Expenses			
1.	Taxes	\$ 5,745	\$ 11,561	\$ 16,290
2.	Depreciation	\$ 75,437	\$ 75,437	\$ 75,437
3.	Interest	\$ 0	\$ 0	\$ 0
4.	Other Non-Operating Expenses	\$ 71,632	\$ 72,569	\$ 54,170
	Total Non-Operating Expenses	\$ 152,814	\$ 159,566	\$ 145,897
	NET INCOME (LOSS)	\$ (115,171)	\$ (19,219)	\$ 61,084

Chart Continues Onto Next Page

Supplemental #2

May 31, 2018
10:10 A.M.

	Year 2021	Year 2022	Year 2023
NET INCOME (LOSS)	\$ (115,171)	(19,219)	61,084
G. Other Deductions			
1. Annual Principal Debt Repayment	\$ 0	0	60,473
2. Annual Capital Expenditure			
Total Other Deductions	\$ 0	0	60,473
NET BALANCE	\$ (115,171)	(19,219)	611
DEPRECIATION	\$ 75,437	75,437	75,437
FREE CASH FLOW (Net Balance + Depreciation)	\$ (39,734)	56,217	76,047

0
X TOTAL FACILITY
PROJECT ONLY

PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES

(EXAMPLES)	Year 2021	Year 2022	Year 2023
1. Professional Services Contract	\$ 266,077	320,889	358,326
2. Service Expense	\$ 135,263	135,263	135,263
3. Archive Fees	\$ 16,554	19,865	22,072
4. Billing Fees	\$ 38,861	46,866	52,334
5. Administrative Support Fees	\$ 48,576	58,583	65,417
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
Total Other Expenses	\$ 505,332	581,467	633,413

Page Four
May 30, 2018

b. The funding letter and estimated payoff table from MEDNAX is noted. However, please revise the funding letter and payoff schedule to match the actual revised capital cost of \$5,264,727 in the revised Project Costs Chart. In the revision, please include a date in the MEDNAX letter.

We request flexibility to retain the funding commitment amount in the original letter, and the payoff schedule, for two reasons. First, the new, lower capital cost is less than 1% lower, and the original funding commitment more than covers it. Second, the payback schedule remains sufficient to cover the slight change in project cost.

6. Section B, Economic Feasibility, Item 4 (Projected Data Chart)

a. Please clarify what services are included in the Professional Services Contract (\$549,747), Service Expense (\$279,470), and Administrative Support Fees (\$180,655) and with what entity for each?

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b. It is noted in the MEDNAX payoff estimation table the applicant will pay \$124,945 to MEDNAX. Where is this accounted in the Projected Data Charts? If necessary, please submit revised Projected Data Charts.

Attached following this page are revised Projected Data Charts (pages 54R-2 through 57R-2). They reflect the revised financing repayment schedule submitted in response to your question 5 above. These revised Projected Data Charts enter the projected repayment in line G1 (page 2) of each Chart. Being based on net profit, the repayment begins in Year Three and continues thereafter as indicated on the repayment schedule attached to the revised MEDNAX letter.



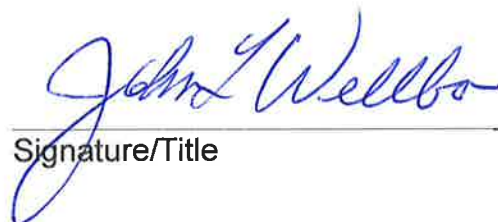
AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: ANTIOCH ODC

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 31ST day of May, 2018, witness my hand at office in the County of Davidson, State of Tennessee.



NOTARY PUBLIC

My commission expires May 21, 2022.

HF-0043

Revised 7/02



Additional Information (Original)

Antioch Outpatient
Diagnostic Center

CN1805-020



May 31, 2018

Phillip M. Earhart, HSD Examiner
Jeff Grimm, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application CM1805-020
Antioch Outpatient Diagnostic Center With MRI
Third Supplemental Response

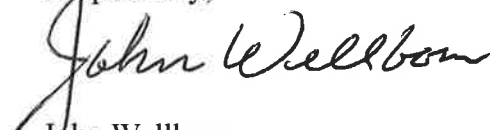
Dear Mr. Earhart:

This letter responds to your May 31 phone inquiry.

In the first supplemental response letter dated May 24, 2018, our response to question 3c included the statement that "Both Radiology Alliance, P.C. and Infinity Management, LLC were acquired on January 2, 2017." To clarify, Radiology Alliance was acquired by American Radiology Holdings; Infinity Management was acquired by MEDNAX. These were separate acquisitions but they took place at the same time because of the special working relationships between these companies.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle.

Respectfully,


John Wellborn
Consultant

STATE OF TENNESSEE

AFFIDAVIT

**Additional
Information**
May 31, 2018
3:10 P.M.

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: ANTIOCH CDC

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John Wellborn
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 31ST day of May, 2018,
witness my hand at office in the County of Davidson, State of Tennessee.

Jan M. Danforth
NOTARY PUBLIC

My commission expires May 2, 2022

HF-0043

Revised 7/02

